Report

on

The Social Insurance Program

in

Haiti

by

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Introductory Note

In October 1949, Haiti enacted a Social Insurance Law which provides for work-accident insurance (workmen's compensation) and for sickness and maternity insurance. In January 1950, the Government of Haiti requested technical assistance from the Government of the United States in the further development of that social insurance program.

Technical aid was furnished by the Government of the United States under the authority of Public Law 535 (81st Congress), commonly known as the "Point Four" program. The arrangements for cooperative work and sharing of costs were made with the Government of Haiti, especially its Department of Labor, by the Department of State, the Technical Cooperation Administration and the Social Security Administration of the Federal Security Agency.

Study of the Haitian Social Insurance Law and of descriptive and statistical information pertinent to the operation of social insurance was supplemented by visits to Haiti in October 1950 and in February-March 1951. The results of the study, the conclusions and recommendations are summarized in the following Report, prepared for such value as it may have to the Government of Haiti in the further planning and implementation of its social insurance program.

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C O N T E N T S

CHAPTER I

The Haitian Social Insurance Law of 1949

In October 1949, Haiti enacted a social insurance law. It authorized the inauguration of a social insurance program and the establishment of an "autonomous" administrative institution--Institut d'Assurances Sociales d'Haiti (IDASH).1/

The law provides for social insurance against work-accidents and against sickness (including maternity). It does not provide for insurance against other common risks, such as old-age, unemployment or non-work-connected invalidity or death, which are often covered by social insurance.

The two social insurance programs established by the 1949 law have many common characteristics, but there are also some differences between them. The text of the law is given in Appendix A. The provisions are summarized here, before turning to their closer inspection.

Social Insurance Against Work Accidents

The Law of October 1949 establishes a system of social insurance against work accidents--what is commonly known as workmen's compensation. It supersedes certain existing employer's liabilities with respect to work-connected injuries and, in lieu thereof, provides stated benefits for the injured worker and his dependents.

Coverage.--Work-accident insurance is made compulsory in its coverage of public employees and of employees in industry, commerce, private teaching establishments, domestic service and agriculture. In general, coverage extends to all manual or non-manual workers who render services for compensation under an express or implied work contract. It applies to all employers in covered industries, regardless of size of establishment, and to all of their employees. It does not apply to family employment and to certain specifically excluded occupational groups (aliens employed in embassies, etc.; temporarily-resident technicians; military personnel; and clergymen). The term industrial accident ("incapacite de travail") appears to be broadly defined so as to include occupational disease as well as direct accidental injury (art. 3(b)). There is no provision for voluntary coverage of employers or employees who are not compulsorily covered.

Eligibility for benefits.--Insured status exists automatically for all covered employees upon and during employment. There are no limiting conditions for the attainment of insured status.

1/ For background of the law, see Rapport Concernant L'Introduction des Assurances Sociales en Haiti, by Taddee Poznanski. Port-au-Prince, Haiti, (1945).

Benefits.--In case of work injury, the law gives the injured employee rights to medical and cash benefits. He is entitled to medical benefits (medical, surgical, pharmaceutical, hospital, appliances, etc.) until he has completely recovered. In case of incapacitation, cash benefit is a daily compensation beginning with the fourth day after the accident and continuing throughout the period of incapacity. The rate of daily cash incapacity benefit is 50 percent of the employee's basic wage, supplemented by 10 percent for each dependent, up to a family maximum of 70 percent. In case of permanent-total disability, the benefit is two-thirds of basic wage; and in case of permanent-partial disability, it is proportional to the degree of the disability. In case of fatal injury, the benefits include: (a) a funeral benefit equal to one month's basic wage; (b) a widow's pension equal to 50 percent of the benefit payable in case of permanent-total disability, or a similar pension at 30 percent rate to a surviving common-law wife; (c) an orphan's pension equal, for each child under 16, to one-fifth the disability benefit. There is a family limit of 80 percent of disability benefit for all widow's and/or orphan's benefits. Cash benefits are payable in the same manner as wages, but they are not payable if wages are being received. If partial wages are received, the benefit is reduced thereby. The incapacity of the recipient is subject to periodic review on request of IDASH.

Contributions.--The cost of this insurance is entirely on the employer. The initial rate of contribution is 1 percent of the basic wages of employees. The rate may be changed (presumably upward and downward) by IDASH, with due regard for risks in the enterprises and safety measures taken by employers. This insurance relieves the employer of other obligations, in respect to industrial accidents, under the Civil Code.

Social Insurance Against Sickness and Maternity

The law of October 1949 establishes a system of insurance against sickness (non-work-connected) and maternity.

Coverage.--Sickness and maternity insurance applies to the same classes of employed persons as are covered for work-accidents, except that the coverage is voluntary rather than compulsory for employees whose basic monthly wage exceeds G300.2/ Such exempted employees may insure voluntarily on establishing freedom from sickness affecting capacity to work. Employed persons who are insured (compulsorily or voluntarily) may voluntarily insure their dependents for the medical benefits.

Eligibility for benefits.--The law specifies no requirements, as to prior insured status, for eligibility to receive medical benefits. In case of sickness resulting in incapacity, cash benefits are payable if the employee has been insured for 6 months and has paid contributions for 17 weeks; and in case of sickness resulting in death, the death

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2/ The gourde (G) equals 20 cents in the currency of the U.S.A.

benefits are payable if the employee has been insured for 1 year and has paid contributions for 240 days.

Benefits.--Medical benefits in case of sickness (medical, pharmaceutical, hospital, etc.) are available from the beginning of sickness for a maximum of 27 weeks for insured employees and for 13 weeks for insured dependents. The period may be extended by IDASH to 1 year in special cases. In maternity cases, the medical benefits are available on request of the insured person, and the hospitalization benefit on explicit request of the attending physician.

Cash benefits in case of sickness are payable at the rate of 50 percent of basic wage for each day of incapacity from the fifth day of the illness and continuing throughout the duration of incapacity. The benefit rate is increased by 10 percent for each dependent, up to a family maximum of 70 percent. No second waiting period is required in the event of a relapse. In the event of death, a death benefit equal to 3-months' basic wage is payable to spouse, dependents or dependent parents. In maternity cases, the same cash benefits are payable for a maximum of 42 days (preceding and following confinement). Cash benefits are not payable if the incapacity was deliberately provoked, if the insured person performs work for which he is paid, or if he refuses to follow the instructions of the attending physician. Cash benefits are not payable when the insured receives a wage, except that if receiving part of his wage the benefit is reduced by the amount received. In a maternity case, paid domestic work consistent with her condition does not abrogate right to cash benefit.

Contributions.--The cost of sickness and maternity insurance is divided between the employer and the employee. For compulsory insurance of employees, the contribution rate is 8 percent of basic wage, equally divided between employer and employee, except that in the case of the employee with a basic monthly wage of less than G110 the charge is wholly on the employer. For voluntary insurance of employees, the rate is 6 percent, payable by the employee. For voluntary insurance of dependents, the rate is 5 percent, also payable by the insured employee.

Administration of Social Insurance

The social insurance law assigns administration to IDASH. This institution is to be managed by a Council ("Conseil d'Administration") having 9 members (3 representing the Departments of Labor, Public Health, and Finances, respectively, of the Government of Haiti; 3 representing the employers; and 3 representing the workers). All 9 members are to be appointed by the President: the Government representatives from the technical personnel of the Departments; the employer and worker representatives from lists of nine persons each to be submitted by employer organizations and by labor federations and unions, respectively. The Council members are to be "irremovable" and are to serve 3-year renewable terms. No member of the Council may also be Director or Assistant Director.

The Council is to elect its own officers, appoint the Director and one or more Assistant Directors (by two-thirds majority vote), determine the scope of their duties and control their operations, and establish regulations for the functioning of IDASH. The Council is to meet at least once a year, and also at the request of its Chairman, 3 of its members, or of the Director.

The Director is to manage all affairs of IDASH except those reserved to the Council. He is required to make an annual report to the Council on operations and plans. He is authorized to manage the institution; appoint and dismiss its personnel; prepare the annual budget and authorize approved expenditures; make arrangements with physicians, hospitals, etc., for the provision of medical benefits; and he is to attend meetings of the Council in an advisory capacity.

The financial resources of IDASH consist of contributions, interest and earnings, donations, fines, etc., and a subsidy from the Government in an amount to be determined later.

The Council is given authority to introduce compulsory insurance in stages, taking into account the possibilities of registering employers and workers, collecting contributions, and providing the benefits.

Employers are required to register themselves and their employees, as prescribed by regulations issued by IDASH, and to pay contributions to it by means of stamps or in cash. Employers are required to keep their payrolls for 2 years and in a prescribed form, and to submit the records for examination on request. In the absence of payroll records, IDASH determines the amount of contributions due from an employer who fails to pay contributions. Employers are authorized to make deductions from pay, and are responsible for payment of employee contributions from compulsorily insured employees. Interest and penalties are prescribed in the law for failure to pay contributions when due. Penalties are also provided for other infractions, as in the case of employers who fail to meet their obligations to report accidents, to keep insurance cards or affix insurance stamps, or who interfere with inspections, or as in the case of employees who obtain benefits illegally.

IDASH is to administer insurance against work accidents separately from other insurance, and to keep separate accounts and resources for it.

IDASH is subrogated, up to the amount of costs incurred by it, in case an insured person who suffers an accident in the course of his work has a claim against someone other than his employer.

IDASH is authorized to make rules to prevent abuse in demand for medical and related benefits.

Sickness (and maternity) medical benefits are to be received insofar as possible in special dispensaries of IDASH, and--in the case of hospital care--in semi-private rooms of the public hospitals or in private hospitals with which IDASH has concluded a contract for such service, or in IDASH's own hospitals. Insured persons electing private rooms are to pay the cost difference between a private and semi-private room.

IDASH is required to invest funds not needed for current purposes, the investments to be made with regard for security, yield and social utility; to use its funds for administration and benefits; for hospitals, sanatoria, clinics, maternity homes and other buildings for the use of the insurance program; for the organization of national workshops and enterprises on an income-producing basis; for loans and mortgages especially for low-cost housing or workers' settlements; and for guaranteed interest-bearing loans to private welfare organizations (hospitals, asylums, etc.) and producers' cooperatives. The proceeds from use of investment capital are to be used to improve the health and working conditions of workers.

IDASH is given exemption from various taxes, customs duties, etc., and immunity from attachment of its property, funds and income.

The Law of May 17, 1943, which created the Social Insurance Fund, is repealed and the assets of that Fund are transferred to IDASH for a working capital and guarantee fund and for liquidation of claims (if any) under the previous law.

In order to meet initial expenses of organization, IDASH is authorized to delay benefits up to 6 months beyond the date on which it begins to function.

Decisions made by IDASH--with respect to obligation to be insured, contributions, rights of insured persons, benefits, etc.--are subject to judicial review on appeal to the civil courts.

All laws and provisions in conflict with this social insurance law are repealed.

Activation and Suspension of the Law

The Social Insurance Law remained inactive after its enactment in October 1949, while the Government of Haiti was awaiting the availability of a foreign expert adviser. In July 1950, prior to his arrival, the Law was activated, the Conseil d'Administration and the Director were appointed, and preliminary steps were taken to acquaint employers with the specifications of the law and obligations to be registered and to pay contributions. Serious criticisms were then raised by certain employers; and, on September 28, 1950, the interim Government decreed the indefinite suspension of the Law. This was the status throughout the present study.

CHAPTER II

Some Major Questions of Social Insurance Policy

The primary question to which the survey is addressed is how Haiti may best proceed in establishing the social insurance system (or systems) authorized by its law and, accordingly, what kind of further technical assistance the United States may be able to give. This report is therefore devoted, in general, to analysis of the law, identification and inspection of the main problems which it appears to present for Haiti, and the development of recommendations for dealing with those problems.

Should the Social Insurance Law be Implemented?

Before turning to an analysis of the law or a consideration of specific problems, there is a basic question whether the social insurance law should be implemented at all. This question was occasionally raised by persons consulted in the course of the survey.

It should first be recorded that no criticism of the law has been encountered--and none is being expressed here--because of its less-than-comprehensive scope as a social security or as a social insurance program. From all appearances, it was a sound decision for the 1949 Law to omit insurance against old age, invalidity, death of the wage earner (from non-work-connected causes), and unemployment, and for it not to propose to establish any new comprehensive program of public assistance at this time.

In its present stage of development, Haiti has an acute population problem in relation to its current resources. The population and the economy are largely dependent on small-scale, underdeveloped and undeveloped agriculture. There is a relatively large amount of unemployment and under-employment, reflecting a massive over-hang of the self-employed agricultural population over the labor force engaged in commerce, industry, organized agricultural employment, and public administration. In addition, Haiti has almost overwhelmingly pervasive and acute health needs, and it suffers from large inadequacies of health personnel and facilities.

With its acute lack of economic resources, Haiti has only minimal flexibility in the uses to be made of such resources as it has. Haiti cannot at this time undertake comprehensive public insurance programs to ensure maintenance of income for the aged or the disabled, for those left dependent by premature death of the breadwinner, or for those who are unemployed. A large proportion of those who need assured continuity and maintenance of income have little income to assure; and they have very little income derived from earnings which they can devote to paying for such assurance. Most of them have no employers--or only intermittent employers--to help pay the cost. And the cost of living

cannot now afford substantial increase such as could result from employer insurance costs passed on to consumers. Certainly any programs, insurance or other, that would involve a combination of pay-roll deductions and reserve financing would have to be carefully safeguarded against adverse effects on consumption and standards of living.

Nor can Haiti undertake any comprehensive program of public assistance for the needy poor. A large proportion of Haiti's entire population is very poor; and a large proportion is tragically poor by physiological, health, economic, educational, cultural or social standards. Any substantial provision of public assistance for the poor would involve public funds far larger than anything that the Government can command.

As a practical matter, Haiti can consider at this time only a limited social security program--perhaps only such a limited program as it has embodied in its Law of October 1949.

Further consideration focuses on the two insurance systems embodied in the Law--whether they are needed, whether they can be afforded, and whether they hold reasonable promise of being established and administered successfully.

Should Haiti Proceed with Work-Accident Insurance?

All information accumulated in the course of the survey indicates that the decision to introduce a system of workmen's compensation in Haiti is sound in principle.

The liability of the employer for the consequences of work-connected injury is established by the provisions of the Haitian Civil Code (Articles 1168 and 1169). Discharge of that liability, however, is inadequate--it is uneven, complicated and controversial. There is also reason to be concerned that the existing provisions and practices will become more inadequate if or as industry and commerce become larger sectors of the economy, and a larger proportion of the population and the labor force becomes wage earners.

World-wide experience shows that a system of workmen's compensation can become an effective means of requiring employers to meet their liabilities arising out of work accidents and injuries; and it can provide an orderly, and in a large proportion of cases of work injury, an automatic, system of discharging that liability. If the system is well designed and well administered, it may also be expected to strengthen the economic security of employees by providing prompt and adequate benefits; to improve employer-employee relationships by largely eliminating controversy from the field of work-injury compensation; to lessen the costs of work injuries for many employers by reducing fraudulent claims and malingering (reported to be unduly

frequent in Haiti), by reducing or eliminating the costs of lawyer's fees and court cases and by encouraging accident-prevention; and to stimulate and support a program to provide more adequate care and rehabilitation for injured workers. Such a system need not involve any substantially larger cost than is already incurred by employers in meeting their liabilities, except insofar as it would compel some employers to meet obligations which they are not now meeting. To the extent that the insurance system would result in more extensive compliance with employer liability, it would help to equalize the costs for work-injuries among employers who do and those who do not conscientiously observe their obligations to absorb these costs as part of the cost of employment.

It will appear later that a substantial system of workmen's compensation would probably cost (uniformly, or on the average among employers) about 1 percent of payroll. The cost might work out to be, on the average, somewhat less than 1 percent; it might prove to be somewhat more, but is not likely to be more than 1.5 percent or to reach 2 percent. Such a cost is within Haiti's means, especially since most or all of it is already being incurred and met in one way or another.

The need for medical services arising out of work-connected injuries is a relatively small proportion of total medical need. The establishment of a system of workmen's compensation may be expected to increase the amount of care that has to be furnished in work-connected cases. But the aggregate increase would not substantially change the total load on the nation's available resources for medical care, especially if this insurance covers only a small fraction of the population. Consequently, the inauguration of workmen's compensation does not have to depend on large-scale expansion of the available resources for medical care--though, as will appear later, it may well demand some adjustments and improvements in certain areas where resources are deficient.

All such considerations endorse the decision to establish a system of workmen's compensation for work-accidents and injuries. There are, however, many important details of the program which need reconsideration, e.g., the coverage of the insurance and especially whether or not to include agricultural employment, the contribution rate and its graduation among employers, the specifications for the benefits, the provisions for administration, and whether to institute the program for the whole intended coverage and throughout the country or to develop it in a series of geographically as well as occupationally limited stages. These will be considered later, in connection with similar questions applicable to sickness and maternity insurance and to inter-relations of the two insurance programs.

Does Haiti Need Sickness and Maternity Insurance?

There are many differences of opinion or, more precisely, many reservations among Haitians concerning the decision to introduce sickness and maternity insurance. These are not focused on the desirability of having provisions for a worker's income maintenance during periods of incapacity or for having improved assurance that workers and their dependents will have access to needed medical care. Rather, the reservations arise out of more limited and more specific practical considerations, focused on ways and means of establishing the insurance system, administering it, paying its costs, and--especially--providing its medical-care benefits. Each of these questions will be examined in some detail later; their more general aspects may be considered here.

Cash benefits.--The money benefits to be provided by the sickness and maternity insurance are intended to serve as partial replacement of wages lost during periods of incapacity. Such benefits are important for any group of wage earners. They are especially important for wage earners in Haiti. Large proportions or most of the persons in Haiti who are employees earn wages only barely--if at all--sufficient for subsistence. Employment is irregular and uncertain for many of them. Most of those who are normally dependent on current money earnings have little or no accumulated reserves upon which to draw when incapacitated. It is sound that an insurance system should provide cash benefits for wage-loss, and there do not appear to be any insurmountable difficulties in organizing the administrative arrangements for providing these benefits.

Medical benefits.--While not minimizing the importance of the cash (wage-loss) benefits, emphasis must be placed on the medical benefits as the more important of those proposed by this insurance. Poverty among the Haitian wage and salary workers is matched by ill health among them and their dependents. These two plagues--poverty and ill health--are interlocked and inter-related; each begets the other. An attack upon one is also an attack on the other, in whichever sequence they are taken.

Haiti's program for general economic rehabilitation, which is receiving the active attention of the Government, must be comprehensive and long-range. As is well appreciated, it must from the very beginning include an attack on the health problems; otherwise the whole program of national progress may be doomed to failure. People who are sick cannot work hard, persistently or well; they cannot be highly productive. The sickness and maternity insurance system offers a means of supporting a major part--the most expensive part--of a new attack on ill health among wage and salary workers in Haiti. Like any other program designed to improve hospital and medical services, the insurance will be all the more successful, and all the less expensive, the more it provides effective preventive services and the more it is coordinated with

community-wide and personal preventive services furnished by the public health and related programs. Sickness and maternity insurance, developed in conjunction with public health programs, offers a new opportunity for a greatly strengthened and expanded health program for Haiti. This may be regarded as probably the most important single reason for undertaking to establish this insurance system.

It will appear later, when examining the details of Haiti's present resources for hospital, medical and related services, that the country's hospitals, clinics and medical personnel are quite inadequate to meet current needs. The insurance system would not, of itself, increase need for hospital and medical care. However, to the extent that application of the insurance principle brings hospital, medical and related services within the financial reach of the insured population, the system will increase effective demand for the services, and it may very greatly increase that demand. Having regard for the present inadequacy of medical resources, without insurance, it has to be expected that they would be even less adequate in the face of augmented demand after insurance comes into operation. Thus, the capacity to provide services must be increased before insurance benefits become due, or the insurance beneficiaries must be given priority in the receipt of care from existing facilities and personnel. Otherwise, the insurance system would fail to meet the obligations incurred as a result of the collection of ear-marked contributions and its promise to provide medical and related benefits. Such a failure must not occur.

The increased effective demand for medical services must be expected; and the claims for insurance benefits must be anticipated. The resources for service must be increased, or earmarked in appropriate measure for the insurance beneficiaries, or both. The increase in effective demand and in the capacity to supply services must be synchronized. The capacity to meet the augmented demand for medical benefits which is to be expected under the insurance system determines whether or not, and when, sickness and maternity insurance can be implemented.

The Social Insurance Law of October 1949 gives broad authorization to IDASH to provide the medical benefits or to arrange for their availability to insured persons. The authorization extends to the construction and operation of hospitals and clinics, the employment of medical and other personnel, etc., as well as to the use, by contract, of public and private facilities and practitioners. Thus, the insurance medical benefits may be provided through IDASH's own system of medical resources, through the existing public and private facilities and personnel, or through a combination. The course to be followed in the choice (or choices) among these alternatives are fundamental for the plans of this insurance system. If the system has large coverage--sooner or later on, the decision about the provision of insurance medical benefits is very important for the hospital and medical system of the country.

Haiti now has a dual system of medical care. It has some private hospitals, clinics and practitioners. More importantly, it also has an extensive national system of public hospital and medical service, administered by the national Department of Public Health and financed out of the general revenues of the national Government. If sickness and maternity insurance is established and IDASH undertakes to supply the medical benefits through its own medical resources, Haiti will have a triple system.

In the event the insurance system is established, which course (or courses) may or should be followed by IDASH in assuring that the medical benefits are available to the insured persons will be considered later. At this point, the question is whether an insurance system is needed to improve the medical service of the Haitian population. Or, to pose the question in another way: How else, except through an insurance system, can Haiti develop its medical services? Two alternatives may be considered.

Can Haiti strengthen its medical resources which are provided by private practitioners and agencies and supported by private fees? As indicated elsewhere in this report, the private resources are very limited. Their development through private resources alone to the point of being able to meet the obligations of the insurance system is not to be anticipated for the discernible future; it cannot occur until the Haitian people have greatly increased financial means. Conversely, it is not altogether reasonable to expect that the Haitian people can come to have such increased financial resources unless they build up more adequate health and medical services. Thus, this approach is "circular," and is not fruitful.

The second alternative is through the public hospital and clinic system. This system is intended primarily for the poor. But since most of the people are poor, and since practically all (in a statistical sense) are substantially indigent when confronted by the costs of a serious or extended illness, the public system is in effect a system to serve, potentially, nearly the whole population. It is widely agreed throughout Haiti that the present public system cannot and does not meet its intended obligations or the public need now. Its facilities and resources are insufficient. There is also general agreement that improvement must depend basically on receiving much larger financial resources than are available to the public system now--as well as on effecting administrative and other improvements.

If economic conditions improve and continue to improve in Haiti generally, the Government may become able to appropriate more for the support of its public hospital and clinic system. But something approaching adequacy in this public system demands very large increases in capital funds and several times as much in annual maintenance funds

as is now available. Such relatively large-scale and extensive expansion would put a heavy drain on the national Government, a heavier drain than can be anticipated with composure or confidence at this time--having regard for the many other pressing public needs and especially for the very limited sources of continuing revenue for Haiti's public purse. A large proportion of the revenue of the Haitian national Government derives from export and import duties--generally regressive sources of revenue. A greatly enlarged system of public medical services supported by general revenues is presumably not a practical alternative.

It would obviously be simpler for Haiti to have, in addition to its private medical services, only its system of public hospitals and clinics. It will be more complicated to have its present dual system, and, in addition, a system of medical-care services supported through an insurance system. But it appears that Haiti must find an additional source of financial support for its medical services--as through earmarked social insurance contributions--or must continue with grossly inadequate hospital, medical and related services.

Thus, the practical issue about the wisdom of establishing sickness and maternity insurance is whether to accept the present situation and hope that some improvement will become possible when, as, and if the level of the economy and the financial position of the Government will permit; or whether to attempt to augment the resources for medical care by such a method as is offered by an insurance system. Stating the issue in this form invites the conclusion that improved medical services must, as a practical matter, depend on the new sources of revenue which may be provided by social insurance, and that it is sound to establish such a system.

This conclusion does not of itself determine whether the medical benefits should be provided through one system of arrangements or another. It only argues for the need for the insurance system and its financial resources.

At this point the conclusion may be expressed that the survey confirms the need for a social insurance system to assure not only continuity of some income when the wage earner suffers incapacity (non-work-connected), but also to assure access to needed medical care and to provide the funds necessary to support both the wage-loss and the medical-care benefits.

As in the case of the system of workmen's compensation, the sickness and maternity insurance presents many specific problems that need resolution--concerning the coverage of the insurance system, where when and for which groups to be instituted, the premium, the conditions determining eligibility for benefits, the specifications for the cash benefits, how the medical benefits shall be provided, and administration generally.

Should Haiti Start with Both Insurance Systems?

The preceding considerations suggest that, in principle, it is sound for Haiti to plan--as in the Social Insurance Law of October 1949--upon developing social insurance for the risks of work accidents and of sickness and maternity.

If the Government of Haiti decides tentatively to proceed with plans to bring such insurance into force, it is confronted with some important questions which must be faced and answered at the outset. Then, after it has formulated answers to these questions and considered the implications and consequences of those answers, it must decide whether the tentative decision to proceed should become firm and definitive.

If the tentative decision is to proceed if possible, a first major question is whether it should start with both insurances, despite the practical difficulties; or whether, in the alternative, it should start with only one insurance and should choose the one which presents the fewest and least initial difficulties.

A correlated major question is the initial extent of any social insurance system which may be undertaken. "Extent" involves three basic dimensions: (1) Geographical application, whether to be established at the outset throughout the country, or only in limited areas; (2) Employment coverage, whether to apply to all gainfully occupied employees, or only to those in specified classes of employment; and (3) Scope of benefits, whether to provide for all classes of needed benefits, or only for those most urgently needed and most readily available.

It should be noted that the Law of October 1949 authorized the establishment of a nation-wide insurance, with coverage of substantially all employees, and with provision of comprehensive wage-loss and medical benefits. However, the Law also recognized potential difficulties; and accordingly it provided (article 4) that IDASH's Council of Administration is authorized to introduce compulsory insurance in stages, taking into account the possibilities of registering employers and employees, collecting contributions, and providing the benefits. Thus, there is already provision in the law for flexibility, through administrative decisions, in the initial and subsequent extent of application of either social insurance or of both systems.1/

1/ The text of article 4 is here interpreted as authorizing flexibility with respect to each of the three dimensions (geographical, employment, and scope of benefits). If this interpretation is incorrect or uncertain, the text of the law may need reconsideration and clarification in light of decisions that may be taken on these questions.

The difficulties which confront Haiti in inaugurating social insurance arise from its limited resources for meeting the special needs of such a program--trained and experienced administrative personnel, administrative machinery, understanding on the part of employers and employees of social insurance and its operations, and personnel and facilities for providing hospital and medical services. In all of these respects, Haiti is severely disadvantaged in meeting the problems and demands peculiar to social insurance, especially in the inaugural stages. It is therefore obviously advisable that, if Haiti decides to go forward with its social insurance program, it should consider making only a minimal beginning; and that it should contemplate a subsequent gradual expansion--as initial administrative and other problems are solved, as experience accumulates, and as personnel and other resources increase.

This line of reasoning immediately suggests that Haiti should consider starting with only one insurance system--as against two. If one is to be chosen on these grounds, it would appear that it should be insurance against work accidents (workmen's compensation) rather than insurance against sickness and maternity. It is not surprising that this proposal was frequently met in the course of the survey. And it is in a pattern which has been followed in nearly all countries which have enacted social insurance programs.

A plan to start with only workmen's compensation has advantages for an initial undertaking. On balance, it is probably simpler to administer than a system of general sickness and maternity insurance. Some of the important reasons for this conclusion deserve specific mention:

(a) Both systems of insurance involve the registration of employers and their preparatory education for effective participation. But workmen's compensation does not--and sickness and maternity insurance does--involve registration of employees and their dependents.

(b) Workmen's compensation involves contributions only from employers, with the amount of contribution probably measured in relation to total salaries and wages. Sickness and maternity insurance involves contributions from both employers and employees, and probably requires contributions complicated by special adjustment to the amount of salary or wage paid to individual employees.

(c) In workmen's compensation, coverage and insured status for workers follow directly and immediately from and upon establishment of the employment relationship, and the insurance continues automatically throughout employment. Sickness and maternity insurance,

especially if the coverage of the system is limited, requires a system of eligibility requirements and determinations, probably involving difficult and complicated administration as well as extensive public understanding.

(d) Workmen's compensation ordinarily involves only about 5-10 percent as many claims for benefits as arise in sickness and maternity insurance for equal coverage.

(e) The medical benefits of workmen's compensation may be within the capacity of existing personnel and facilities, or may require only relatively small expansion and adjustment. Sickness and maternity insurance with extensive coverage is probably wholly impractical unless and until the resources for medical, clinic and hospital services are substantially expanded.

There are some important offsetting disadvantages to starting with only workmen's compensation, and those disadvantages should also be appreciated:

(a) Workmen's compensation involves administration of some classes of benefits which are not provided by sickness and maternity insurance (e.g., pensions for long-term or permanent disability, for partial disability, and for widows and orphans in fatal cases).

(b) Workmen's compensation may involve graduation of employer contribution rates according to risk-rates based on experience. This is a complex administrative function which does not and need not arise in sickness and maternity insurance.

(c) An insurance system which assumes responsibility only for work-connected cases of injury or only for non-work-connected cases requires a determination of work-connected causation in every claim for benefits. This involves a difficult administrative function, especially if the employer's contribution depends on the risk-rate for his own establishment. The administrative task has to be more precise and is more difficult if there is only workmen's compensation.

(d) Unless an initial system of workmen's compensation is designed with foresight for relations to the design of a future system of sickness and maternity insurance, its specifications may tend to predetermine future

patterns for benefits (kinds, amounts, duration, etc.) and may make future developments more complicated and more difficult.

(e) Starting with only workmen's compensation, a social insurance program deals with an important need, but still it deals only with one which is relatively small by comparison with the larger need that calls for a general system of sickness and maternity insurance. Such a limited initial program may tend to postpone badly needed, concerted, efforts to enlarge and improve the hospital and medical facilities of the country. It cannot make more than a very limited contribution to badly and urgently needed improvement of the public health.

The disadvantages may not outweigh the advantages of starting with workmen's compensation alone. However, they suggest that an initial establishment of workmen's compensation should be undertaken not as the first of two more or less separate social insurance systems, but as the first step in the development of a comprehensive and coordinated (indeed, possibly an integrated) insurance system that will cover both workmen's compensation and sickness and maternity insurance.

On this basis, and appreciating the possible eventual advantages of coalescing the two systems, both social insurances provided in the Law of October 1949 need careful review to minimize differences between them, in order to provide for maximal future coordinated development and integration. Thus, if the inadequacy of medical, clinic and hospital resources and other reasons dictate starting with less than the comprehensive system, the initial plans should consider (a) Inaugurating the system of workmen's compensation; (b) developing a program for meeting the needs of sickness and maternity insurance, especially by augmenting the resources for hospital, medical and related benefits; (c) fixing a time-table for undertaking the successive stages of development; and (d) providing for the finances of the developmental program.

CHAPTER III

Some Basic Statistics on Employment, Earnings and Disability

When this study was undertaken, it was known that basic information was lacking in Haiti on population, labor force, family composition, earnings, and other subjects which have to be considered in an evaluation of the social insurance program. There was almost no statistical basis for even elementary estimates of the potential coverage of the insurance systems, the earnings of the persons who would become insured, the earnings that would be subject to the contribution rates, the numbers who would become eligible for benefits, the probable costs of the benefits, etc.

Accordingly, plans were made for the compilation of such information as could be had from existing resources and to develop badly needed data through special surveys to be conducted by the Statistical Service of the Bureau of Labor.

The preliminary population counts of the Census of 1950 became available in provisional form in October 1950 and in definitive form early in 1951.1/ They provided basic data on population for Haiti as a whole and for geographical subdivisions. The distribution of the population (3.1 million persons) by départements and arrondissements is shown in Appendix table 1. There are no corresponding data for Haiti on labor force, family composition, etc.2/

Private Employment: Urban

A survey of private (urban) employment was made as of April 15, 1950 in Port-au-Prince and in nine provincial towns. It covered 460 industrial and commercial establishments in the capital city, and a sample of employing establishments in the other main cities and towns. The schedule applied to regular and administrative employees; it excluded the short-term seasonal farm workers engaged by some of the establishments.

1/ Recensement de la Republique d'Haiti: Premier Denombrement de la Population (Août 1950), Bureau de Recensement, Department de L'Economie Nationale, 1951.

2/ Some general data on employment in 1943 are summarized in the UN report Mission to Haiti (July 1949, p. 32), and data on earnings are also given in the source document (Monthly Labor Review, U.S. Department of Labor, October 1944, pp. 747-48). It was estimated that there were 182,000 persons then employed for wages and salaries. But that estimate was heavily weighted by the large number of agricultural employees temporarily engaged in the Shada Cryptostegia-rubber project. The data on other employments and on earnings levels and distributions are also inapplicable to present conditions in Haiti.

Altogether, the survey covered establishments with 4,240 employees—2,642 in Port-au-Prince and 1,598 in the provincial towns.

The survey in Port-au-Prince covered about 10 percent of the total number of employees in private employment reported by the city census of 1949. But since that census included domestic servants, the survey probably covered a much larger percentage of those employed in commerce and industry. The survey covered 460 establishments. This suggests that it extended to about one-fourth of all establishments, and may have reached one-fourth of all employees in all such establishments. Corresponding ratios for the provincial towns are not available.

Port-au-Prince

The 1949 census of the capital city showed the following for the labor force:

Total	78,115
Employed	53,203
Unemployed	24,912

The employed persons were divided as follows:

Employment	Total	Men	Women
Government	6,988	5,903	1,085
Employees	26,497	11,975	14,522
Family employment (without remuneration)	1,370	324	1,046
Employers (with employees)	1,842	1,277	565
Self-employed (no employees)	12,443	4,137	8,306
Not reported	4,063	1,638	2,425

The special survey did not cover large establishments located in the environs of Port-au-Prince (the sisal plantations, the distilleries, etc.) which are estimated to have an average of 400 regular employees. Hasco, which operates the largest sugar refinery in Haiti, did not furnish data.3/ The survey was not able to obtain information on stability of employment and turnover.

3/ It is known from other sources that Hasco has an average of about 800 salaried employees and factory workers, uses 6,000-7,000 additional workers during the harvest, and pays a minimum wage of ₲5 per day.

Full-time employment is generally 12 months; it is 8-9 months in the cooking-oil factories, coffee establishments and distilleries, and about 6 months at Hasco.

Provincial Towns

The survey in these towns does not cover the employees on the large sisal plantations, or in the lumber and the essential oil factories, the Dessalines sugar mill, or the fig and banana plantations.

Sex, Marital Status, and Dependent Children

The general characteristics of the 4,240 employees in the surveyed establishments are shown in table 1.

In Port-au-Prince, 68 percent of the employees were males and 32 percent were females; but in the provincial towns females were in substantially lower proportion and accounted for only 20 percent.

The distributions by marital status differed somewhat between Port-au-Prince and the other towns, the proportions married and living alone being slightly higher in the capital.

The proportion employed on a monthly basis was substantially lower in Port-au-Prince (58 percent) than outside (74 percent).

The 4,240 persons employed in the surveyed establishments had a total of 4,131 dependent children (approximately 1 such child per employee), of which 3,453 or 84 percent were under 16 years of age. The percentage of the children who were under 16 years of age was substantially higher in the provincial towns (89 percent) than in Port-au-Prince (80 percent).

The corresponding data for each of the 9 provincial towns are shown in Appendix table 2.

Size of Establishment

Data were available on the distribution of employees by size of establishment for the places surveyed in Port-au-Prince and in 8 of the 9 provincial towns (table 2 and Appendix table 3). The figures cover 2,567 employees in 416 establishments in Port-au-Prince, and 1,254 employees in 252 establishments outside of the capital.

The surveyed establishments were only slightly larger, on the average, in Port-au-Prince than in the provincial towns; the average numbers of employees per establishment being as follows:

Table 1

Some Characteristics of Employees in Private Employment

(Based on a special survey, April 15, 1950)

	Total		Port-au-Prince		Provincial towns 1/	
	Number	Percent	Number	Percent	Number	Percent
Total employees...	4,240	100.0	2,642	100.0	1,598	100.0
By sex:.....	4,240	100.0	2,642	100.0	1,598	100.0
Male.....	3,088	72.8	1,805	68.3	1,283	80.3
Female.....	1,151	27.1	837	31.7	314	19.6
Not reported.....	1	(2/)			1	.1
By marital status:....	4,240	100.0	2,642	100.0	1,598	100.0
Married.....	1,154	27.2	740	28.0	414	25.9
Placé.....	1,143	27.0	602	22.8	541	33.9
Living alone.....	1,865	44.0	1,249	47.3	616	38.5
Not reported.....	78	1.8	51	1.9	27	1.7
By employment:.....	4,240	100.0	2,642	100.0	1,598	100.0
Monthly.....	2,721	64.2	1,549	58.4	1,178	73.7
Weekly.....	1,408	33.2	1,056	40.0	352	22.0
Not specified.....	111	2.6	43	1.6	68	4.3
Dependent children:						
Total number.....	4,131	100.0	2,404	100.0	1,727	100.0
Number under 16 years of age.....	3,453	83.6	1,921	79.9	1,532	88.7
Employees reporting incapacitating sickness (in last 12 months).....	3/888	3/20.3	453	17.1	3/435	3/28.2

1/ The provincial towns covered by the survey are: Fort Liberté, Cap-Haitien, Port-de-Paix, Gonaives, St. Marc, Jacmel, Petit Goave, Jérémie, Les Cayes.
2/ Less than 0.05 percent.
3/ Excluding one of the provincial towns (Petit Goave).

Table 2

Employees in Private Employment by Size of Establishment

(Based on a special survey, April 15, 1950) 1/

Size of establishment (Number of employees)	Port-au-Prince				All cities			
	Number		Percent		Number		Percent	
	Establishments	Employees	Establishments	Employees	Establishments	Employees	Establishments	Employees
1.....	93	93	22.4	3.6	153	153	22.9	4.0
2.....	82	164	19.7	6.4	137	274	20.5	7.2
3.....	51	153	12.3	6.0	94	282	14.1	7.4
4.....	41	164	9.9	6.4	67	268	10.0	7.0
5.....	23	115	5.5	4.5	31	155	4.6	4.1
6.....	27	162	6.5	6.3	35	210	5.2	5.5
7.....	9	63	2.2	2.5	19	133	2.8	3.5
8 - 10.....	37	333	8.9	13.0	51	459	7.6	12.0
11 - 15.....	25	325	6.0	12.7	36	468	5.4	12.2
16 - 25.....	17	351	4.1	13.7	28	564	4.2	14.8
26 - 49.....	7	231	1.7	9.0	12	366	1.8	9.6
50 - 99.....	2	120	.5	4.7	3	196	.4	5.1
100 - 199.....	2	293	.5	11.4	2	293	.3	7.7
All.....	416	2,567	100.0	100.0	668	3,821	100.0	100.0

1/ Includes regular and administrative employees only.

In Port-au-Prince..... 6.2 persons
In the provincial towns..... 5.0 persons
In all establishments..... 5.7 persons

The proportionate distributions of establishments and employees (cumulative), according to size of establishment, are shown in table 3.

In general, about two-thirds of the establishments had 4 or fewer employees, and they account for only about 25 percent of all employees. Nearly 90 percent of the establishments had 10 or fewer employees, and they account for about half of all employees. The other half of the employees were in the 10+ percent of establishments with 10 or more employees each.

Earnings

Information on earnings was supplied for 4,153 of the 4,240 employees in the surveyed establishments. Their distribution by earnings are shown in tables 4, 5 and 6. The earnings categories used in these tabulations were selected for their pertinence to the proposed social insurance contribution requirements.

The average earnings may be summarized as follows:4/

		All	Port-au-Prince	Provincial towns
All employees				
Per month:	G.....	188	210	153
	$.....	37.60	42.00	30.60
Per year:	G.....	2,256	2,520	1,836
	$.....	451.20	504.00	367.20
Employees with monthly earnings of not more than G500				
Per month:	G.....	153	159	143
	$.....	30.60	31.80	28.60
Per year:	G.....	1,836	1,908	1,716
	$.....	367.20	381.60	343.20
All employees, but excluding monthly earnings of G501 and over				
Per month:	G.....	172	185	149
	$.....	34.40	37.00	29.80
Per year:	G.....	2,064	2,220	1,788
	$.....	412.80	444.00	357.60

4/ The Haitian gourde and the U.S.A. dollar are directly interchangeable in Haiti at the rate of 5 gourdes to the dollar.

Table 3

Cumulative Percentage Distributions of Establishments and Employees in Private Employment

(Based on a special survey, April 15, 1950) 1/

Size of establishment (Number of employees)	Cumulative percentages					
	Total		Port-au-Prince		Provincial towns	
	Establishments	Employees	Establishments	Employees	Establishments	Employees
1.....	22.9	4.0	22.4	3.6	23.8	4.8
2.....	43.4	11.2	42.1	10.0	45.6	13.6
3.....	57.5	18.6	54.3	16.0	62.7	23.8
4.....	67.5	25.6	64.2	22.4	73.0	32.1
5.....	72.2	29.6	69.7	26.8	76.2	35.3
6.....	77.4	35.1	76.2	33.2	79.4	39.2
7.....	80.2	38.6	78.4	35.6	83.3	44.7
8 - 10.....	87.9	50.6	87.3	48.6	88.9	54.8
11 - 15.....	93.3	62.9	93.3	61.2	93.3	66.2
16 - 25.....	97.5	77.6	97.4	74.9	97.6	83.2
26 - 49.....	99.3	87.2	99.0	83.9	99.6	93.9
50 - 99.....	99.7	92.3	99.5	88.6	100.0	100.0
100 -199.....	100.0	100.0	100.0	100.0	100.0	100.0
All.....	100.0	100.0	100.0	100.0	100.0	100.0

1/ Includes regular and administrative employees only.

Table 4

Distribution of Employees, by Earnings, in Private Employment

Port-au-Prince

(Based on a special survey, April 15, 1950) 1/

Earnings per month (¢)	All		Weekly employees		Monthly employees	
	Number	Average(¢)	Number	Average(¢)	Number	Average(¢)
Less than 105..	882	87	662	82	220	100
Less than 110..	1,014	90	718	84	296	102
105-150.....	636	122	133	116	503	124
110-150.....	504	126	77	121	427	127
151-300.....	638	208	192	192	446	215
301-500.....	255	377	69	325	186	396
501 and over...	199	824	---	---	199	824
Less than 110..	1,014	90	718	84	296	102
110-150.....	504	126	77	121	427	127
151-500.....	893	256	261	227	632	268
501 and over...	199	824	---	---	199	824
All.....	2,610	210	1,056	122	1,554	269

1/ Includes regular and administrative employees only.

Table 5

Distribution of Employees, by Earnings, in Private Employment

Provincial Towns

(Based on a special survey, April 15, 1950) 1/

Earnings per month (¢)	All		Weekly employees		Monthly employees	
	Number	Average(¢)	Number	Average(¢)	Number	Average(¢)
Less than 105..	639	93	257	82	382	100
Less than 110..	738	95	270	83	468	101
105-150.....	504	120	55	116	449	120
110-150.....	405	123	42	119	363	123
151-300.....	273	208	44	179	229	213
301-500.....	100	399	5	305	95	404
501 and over...	27	716	---	---	27	716
Less than 110..	738	95	270	83	468	101
110-150.....	405	123	42	119	363	123
151-500.....	373	259	49	192	324	269
501 and over...	27	716	---	---	27	716
All.....	1,543	153	361	102	1,182	168

1/ Includes regular and administrative employees only.

Table 6

Distribution of Employees, by Earnings, in Private Employment

Port-au-Prince and Provincial Towns

(Based on a special survey, April 15, 1950) 1/

Earnings per month (Gde)	All		Weekly employees		Monthly employees	
	Number	Average(Gde)	Number	Average(Gde)	Number	Average(Gde)
Less than 105..	1,521	89	919	82	602	100
Less than 110..	1,752	92	988	84	764	102
105-150.....	1,140	121	188	116	952	122
110-150.....	909	125	119	120	790	125
151-300.....	911	208	236	190	675	214
301-500.....	355	383	74	324	281	399
501 and over...	226	809	---	---	226	809
Less than 110..	1,752	92	988	84	764	102
110-150.....	909	125	119	120	790	125
151-500.....	1,266	257	310	222	956	268
501 and over...	226	809	---	---	226	809
All.....	4,153	188	1,417	117	2,736	225

1/ Includes regular and administrative employees only.

Earnings were nearly twice as high, on the average, for the monthly as for the weekly employees:

	Average earnings per month
Monthly employees.....	₲225
Weekly employees.....	₲117

There were altogether 226 employees covered by the survey whose earnings were ₲501 or more per month. Their average earnings were determined from a special tabulation prepared for 162 such employees whose actual monthly earnings had been reported. The results are shown in Appendix table 4.

Sickness Absenteeism

The survey of private employment included an inquiry as to the number of employees who had had any sickness absenteeism of 1 day or more at any time during the 12 months preceding the day of survey, and the duration of such absenteeism. This inquiry did not distinguish between work-connected and non-work-connected cases, and it covers both.

Of the 4,240 employees in the establishments covered by the survey, 4,185 (3,054 males, 1,130 females, and 1 unknown) were in establishments for which the occurrence of sickness absenteeism was reported.

The distribution of cases by duration is shown for all surveyed establishments, for those in Port-au-Prince and for those in the provincial towns in table 7. The results may be summarized as follows:

	Total	Port-au-Prince	Provincial towns
Employees with absenteeism			
Number.....	888	453	435
Percent.....	21	17	28
Total cases.....	892	454	438
Total days of absenteeism			
Minimum 5/.....	12,416	6,591	5,825
Maximum 5/.....	16,126	8,446	7,680
Days per case			
Minimum 5/.....	14	15	13
Maximum 5/.....	18	18.6	18
Days per employee			
Minimum.....	3.0	2.5	3.8
Maximum.....	3.9	3.2	5.0

5/ The range results from using 100 and 365 days as the minimum and maximum durations, respectively, for 14 cases reported as having lasted 100 days or more.

Table 7

Sickness Absenteeism in Private Employment

(Based on a special survey, April 15, 1950)

Duration of absenteeism (days)	Total		Port-au-Prince		Provincial towns	
	Cases	Days	Cases	Days	Cases	Days
1 - 4	309	773	134	335	175	438
5 - 9	222	1,554	99	693	123	861
10 - 14	109	1,308	90	1,080	19	228
15 - 19	106	1,802	58	986	48	816
20 - 24	29	638	15	330	14	308
25 - 29	13	351	5	135	8	216
30 - 34	31	992	16	512	15	480
35 - 39	6	222	3	111	3	111
40 - 44	1	42	1	42	---	---
45 - 49	16	752	6	282	10	470
50 - 54	2	104	1	52	1	52
55 - 59	1	57	1	57	---	---
60 - 64	19	1,178	12	744	7	434
65 - 69	1	67	---	---	1	67
70 - 74	1	72	1	72	---	---
75 - 79	---	---	---	---	---	---
80 - 84	---	---	---	---	---	---
85 - 89	---	---	---	---	---	---
90 - 94	12	1,104	5	460	7	644
95 - 99	---	---	---	---	---	---
100 or more	14		7		7	
Minimum 1/		1,400		700		700
Maximum 1/		5,110		2,555		2,555
All durations	892		454		438	
Minimum 1/		12,416		6,591		5,825
Maximum 1/		16,126		8,446		7,680

1/ Using 100 and 365 days as the minimum and maximum, respectively, for the cases lasting 100 days or more. For all other durations, using midpoints of the group durations in which the data are available.

The reported frequency of sickness absenteeism in a 12-month period was much higher in the provincial towns (28 percent of the surveyed employees) than in Port-au-Prince (17 percent).

There were altogether 892 cases of sickness absenteeism reported by 888 persons among the 4,185 in establishments for which sickness absenteeism was recorded--almost exactly one case per person reporting any such absenteeism. The 892 cases involved between 12,416 and 16,126 days of absenteeism.6/

In order to make the data more useful for the purposes of this study, they were regrouped, as to duration of disability, by interpolation. The results are shown in table 8.

As usually found in sickness surveys, most of the cases were of relatively short duration. Thirty-five percent lasted 4 days or less, 50 percent 7 days or less, 72 percent 2 weeks or less, 86 percent 3 weeks or less, and 89 percent 30 days or less. Cases lasting 1 month or more accounted for only 11 percent of the total cases.

The short-term cases, though relatively frequent, do not cause a large proportion of the total days of absenteeism. For example, cases lasting one week or less accounted for 50 percent of all cases but they contributed only 11 percent of all the days of absenteeism. Conversely, the relatively few long-continued cases (11 percent lasting 1 month or longer) accounted for a large proportion (54 percent) of all the days.

The average duration per case was 14-18 days. In relation to all the surveyed employees, the days of sickness absenteeism equaled 3.0-3.9 per employee. The corresponding figures were somewhat lower for Port-au-Prince (2.5-3.2) and substantially higher for the provincial towns (3.8-5.0).

These figures are much lower than the corresponding figures usually found, elsewhere, on the incidence of disability among gainfully employed persons. Lacking many details, it is not possible to determine whether the figures derived from this survey correctly reflect a low incidence of sickness absenteeism among the surveyed employees, whether they are only apparently low by reason of age distribution, or whether they reflect under-reporting of absenteeism. It is possible that if they are low because of under-reporting, this results in part from failure to obtain reports for those who were sick and absent from work on the day of survey.

6/ See footnote 5.

Table 8

Sickness Absenteeism in Private Employment

(Data regrouped by interpolation)

Duration of incapacity (days and months)	Number of cases				Days			
			Cumulative				Cumulative	
	Number	Per-cent	Number	Per-cent	Number	Per-cent	Number	Per-cent
1 day.....	97	10.9	97	10.9	97	0.7	97	0.7
2 days....	78	8.7	175	19.6	156	1.1	253	1.8
3 "	69	7.7	244	27.4	207	1.4	460	3.2
4 "	64	7.2	308	34.5	256	1.8	716	5.0
5 "	50	5.6	358	40.1	250	1.7	966	6.7
6 "	42	4.7	400	44.8	252	1.8	1,218	8.5
7 "	49	5.5	449	50.3	343	2.4	1,561	10.9
8-14 "	191	21.4	640	71.7	1,966	13.7	3,527	24.6
15-21 "	127	14.2	767	86.0	2,318	16.2	5,845	40.8
22-28 "	17	1.9	784	87.9	461	3.2	6,306	44.0
29-30 "	9	1.0	793	88.9	264	1.8	6,570	45.9
1-2 months....	55	6.2	848	95.1	2,169	15.1	8,739	61.0
2-3 months....	21	2.4	869	97.4	1,443	10.1	10,182	71.1
3 months or more 1/.....	23	2.6	892	100.0	4,140	28.9	14,322	100.0
All durations	892	100.0	892	100.0	14,322	100.0	14,322	100.0

1/ For the purposes of this redistribution, the cases previously shown with duration of 100 or more days, which are here shown with duration of 3 months or more, were each assigned 180 days of incapacity. Regrouping was guided by a special tabulation of 315 cases with known actual duration.

In evaluating the figures, considerable allowance must be made for a strong tendency in Haiti for workers to stay on the job despite illness. There is no doubt that this tendency exists because of great insecurity of employment in a labor market which has much unemployment and a large pool of persons actually and potentially seeking wage and salary employment.

Private Employment in Some Large Agricultural Establishments

The survey summarized in the preceding pages covered only urban employments. It did not contribute toward meeting the deficiency of data on agricultural employment.

No new data were compiled concerning small or medium-size farms or plantations. Special field visits were made to a few large agricultural establishments, and data concerning wages, turnover, accidents, etc. were obtained from the managements. The information will be referred to later. In addition, special tabulations were prepared by the Bureau of Labor on employment in six large agricultural establishments. Although these figures are fragmentary, they are recorded here because they have been found useful in the analysis of agricultural coverage. Five of the six are sisal plantations; the sixth is a lumbering establishment. The data apply (variously) to periods between October 1940 and June 1950.

The variations in employment in these six establishments are summarized in table 9, in terms of average, maximum and minimum monthly numbers of employees. Earnings are shown in terms of average weekly wages only, because there was relatively little monthly variation.

Public Employment

As in the case of private employment, the Bureau of Labor undertook to compile information concerning public employment in Haiti. Three surveys were made, obtaining progressively more complete data.

First Survey

In this survey, the Bureau of Labor compiled information for a sample of offices in the 12 Ministries of the Haitian Government in Port-au-Prince. It prepared tabulations showing the number of employees, their marital status, whether employed on a monthly or weekly basis, and their salaries.

There were 701 employees covered by the survey in these 12 Ministries (Appendix table 5). As appears in table 10, four-fifths (81.3 percent) were males; nearly 44 percent were married, 9 percent were placé, 46 percent lived alone, and 2 percent were not reported as to marital status; and nearly all (95 percent) were employed on a monthly basis.

Table 9

Employment and Earnings in Six Agricultural Establishments

Establishment	Employment 1/			Average weekly wages (¢)	Period
	Average	Maximum	Minimum		
Sisal					
1.....	6,306	6,783	5,936	26.7	Oct. '49-June '50
2.....	2,093	2,459	1,517	14.0	Oct. '49-June '50
3.....	745	780	704	22.9	Oct. '49-Mar. '50
4.....	133	228	68	32.2	Apr. '50-June '50
5.....	1,809	2,215	1,289	21.7	Oct. '49-Mar. '50
Lumber					
6.....	354	391	319	35.9	Oct. '49-Mar. '50

1/ Covers salaried employees, wage earners and "piece" or "contract" farm laborers ("ouvriers et travailleurs").

Table 10

Some Characteristics of Employees in Public Employment: 1950

(First Survey of Public Employment)

	Number	Percent
Total employees	701	100.0
By sex:	701	100.0
Male	570	81.3
Female	131	18.7
By marital status:	701	100.0
Married	306	43.7
Placé	62	8.8
Living alone	321	45.8
Not reported	12	1.7
By employment:	701	100.0
Monthly	664	94.7
Weekly	22	3.1
Not specified	15	2.1

Earnings data were provided for 653 employees who were employed on a monthly (salary) basis. Their distribution by earnings is summarized in table 11, in classes selected with respect to monthly amounts pertinent to the proposed social insurance contribution rates.

The average earnings may be restated as follows:

	Per month		Per year	
All employees.....	₡314	$62.80	₡3,768	$753.60
Employees with not more than ₡500 per month.....	₡237	$47.40	₡2,844	$568.80
All employees, excluding earnings in excess of ₡500 per month.....	₡293	$58.50	₡3,511	$702.25

Second Survey

The Bureau of Labor then made a second study of public employment, by analysis of the Budget for 1950-51. The tabulations were limited to employees with earnings of not more than ₡500 per month, the maximum limit contemplated at that time for coverage and for contributions in the social insurances. The data apply to a total of 5,383 employees, but the figures are not altogether useful because they do not cover employees with earnings of ₡301-₡500 in four of the Ministries.

In those offices for which the data are complete, there were 4,799 employees (Appendix table 6), divided as follows:

Monthly earnings	Number
₡300 and less.....	4,181
₡301-₡500.....	618

The distribution of these employees, according to Ministry of employment, by geographical location is shown in Appendix table 7. The total payrolls for these employees in the surveyed Ministries--by geographical departement and by earnings level--are shown in table 12. They yield the following:

Monthly earnings class	Average earnings			
	Per month		Per year	
₡300 and less.....	₡193	$39	₡2,326	$465
₡301-₡500.....	415	83	4,980	996
₡500 and less.....	221	44	2,652	530

Table 11

Distribution of Monthly Employees, by Earnings, in Public Employment: 1950

(First Survey of Public Employment)

Earnings per month (¢)	Number of employees	Monthly average (¢)
Less than 105	18	1/100
Less than 110	31	103
105 - 150	104	127
110 - 150	91	129
151 - 300	275	226
301 - 500	118	380
More than 500	138	1/600
Less than 110	31	103
110 - 150	91	129
151 - 500	393	272
More than 500	138	1/600
500 and less	515	237
More than 500	138	600
All earnings	653	314

1/ Assumed average.

Table 12

Employees and Earnings in Public Employment: 1950-51

(Second Survey of Public Employment)

Départements	Number of employees 1/			Payrolls 1/		
		Monthly salary			Monthly salary	
	Total	Ꞓ300 and less	Ꞓ301-500	Total	Ꞓ300 and less	Ꞓ301-500
North.....	646	627	19	Ꞓ126,317.50	Ꞓ118,017.50	Ꞓ8,300.00
Northwest...	203	194	9	39,975.00	36,150.00	3,825.00
Artibonite..	566	537	29	115,860.00	103,985.00	11,875.00
West.....	2,728	2,190	538	653,530.00	431,230.00	222,300.00
South.....	656	633	23	126,378.50	116,503.50	9,875.00
Total....	4,799	4,181	618	1,062,061.00	805,886.00	256,175.00

1/ Potentially subject to compulsory insurance if the limit is fixed at Ꞓ500 per month; excludes employees earning more than Ꞓ500 per month.

Third Survey

Finally, the Bureau of Labor made a third survey of public employment, covering all 12 Ministries for the fiscal years 1949-51 and all salary levels, and dividing the data so as to give figures separately for Port-au-Prince and the whole country. This is the most comprehensive of the three surveys. The results are recorded in Appendix tables 8 (all Haiti) and 9 (Port-au-Prince).

The survey covers a total of 6,656 public employees throughout the country, with 3,088 of them in Port-au-Prince. Their distributions by earning class may be summarized as follows:

Monthly earnings class	Employees		Average annual earnings	
	Haiti	Port-au-Prince	Haiti	Port-au-Prince
₲300 and less.....	4,893	1,892	$445	$478
₲301-₲500.....	893	716	942	994
₲501 and more.....	870	480	2,005	2,038
All.....	6,656	3,088	716	840

As expected, the average earnings were higher in Port-au-Prince ($840) than in the country as a whole ($716). The figure for the capital city is substantially higher than the figure derived from the first survey ($754) which was restricted to a sample of offices and applied to early 1950.

Sickness Absenteeism

A questionnaire canvass was made by the Bureau of Labor in six of the Government offices that were being surveyed in April 1950 (first survey of public employment) for information on employment, family composition, salaries and wages, etc. These six offices had 560 employees--presumably representative of all public employees in Port-au-Prince.

The reported sickness absenteeism in the 12 months preceding the day of the survey is summarized in table 13. The results may be summarized as follows:

Cases of sickness absenteeism.....	73
Cases per 100 employees.....	13
Days of absenteeism (total).....	1,178
Days per case.....	16
Days per employee (annual).....	2.1

Table 13

Sickness Absenteeism Among Public Employees

Cases and days of sickness absenteeism in preceding 12 months among 560 employees in 6 government offices in Port-au-Prince

(April 1950)

Duration of absenteeism (days)	Number of cases	Days of absenteeism
1 - 3	22	55
4 - 7	13	78
8 - 11	7	70
12 - 15	17	238
16 - 19	—	--
20 - 23	3	66
24 - 27	—	--
28 - 31	4	120
32 - 35	--	—
36 - 39	—	--
40 - 43	2	84
44 - 47	—	--
48 - 51	—	—
52 - 55	—	—
56 - 59	—	--
60 - 63	1	62
--	—	--
90	3	270
—	--	--
135	1	135
All durations	73	1,178

The number of cases and of days per employee are seemingly low. Again, as in respect to private employees, the interpretation of the figures is somewhat uncertain.

CHAPTER IV

Present Resources for Medical and Hospital Care

The insurance systems proposed by the Social Insurance Law of October 1949 propose to furnish medical as well as cash (wage-loss) benefits. This is true for both work-accident insurance and sickness and maternity insurance. It was therefore evident from the beginning of this study that the availability of adequate medical and hospital resources would be vital to the successful operation of a social insurance program.

Preliminary study indicated that Haiti's resources for medical and hospital care are small and very unevenly distributed geographically and in relation to population. It was essential to determine their capacity for providing the service benefits that would be promised by the insurance systems, but comprehensive information about them was not available and had to be compiled. The main sources of information were the Department of Public Health, a canvass of public hospitals and clinics made by the Bureau of Labor, conferences with medical leaders, visits to institutions, and miscellaneous published and unpublished documents.

Physicians

The Department of Public Health advises that, as of March 1951, Haiti has a total of 297 physicians, equivalent to about 1 per 10,500 persons in the total population. Of these, 180 are in various salaried employments and 117 are exclusively in private practice, as follows:

In salaried employments	180	
Department of Public Health		142
SCISP		13
Army		18
Industry		7
In private practice (only)	117	1/
Total	297	1/

Most of the physicians who have salaried employment also engage in the private practice of medicine. Thus, the number in private practice is much larger than would appear from this tabulation. Those in private practice (117) plus those employed by industry (7) equal a

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1/ These figures are probably somewhat too high because they do not allow for partial or total retirement from active private practice or for absence from the country.

total of 124, equivalent to about 1 per 25,000 persons. The total number of physicians available for medical service to the general population is probably about 249, including the following:

Employed in hospitals and health centers	125 2/
Employed in industry	7
In private practice	117 3/
Total	249 3/

This total--which is too high but by an undetermined number--is equivalent to about 1 physician per 12,000 persons. One per 2,000 persons would probably be the minimum number of physicians needed in Haiti to provide anything approaching adequate medical care of modern standards.

The geographical distribution of physicians is very uneven throughout Haiti. As of March 1951, it was as follows:

Départements	Number of physicians	Persons per physician
North.....	29	18,627
Northwest.....	9	18,705
Artibonite.....	27	21,062
West.....	212	5,163
South.....	20	3,701
Total.....	297	10,478

The ratios to population range from 1 physician per 3,700 persons in the South to 1 per 21,000 in the Artibonite. Indeed, the distribution is even more uneven than these figures would indicate. Practically all of the physicians live in the larger cities and towns, and practice primarily among the urban population in the immediate vicinity and the rural population living nearby.

2/ Derived by reducing the number reported in the employ of the Department of Public Health (142) to 100, to allow for those engaged in administration, specialized public health work, etc. to avoid duplication with the total number (117) counted in private practice.

3/ These figures are probably somewhat too high because they do not allow for partial or total retirement from active private practice or for absence from the country.

Only a few practitioners are located in the smaller towns; practically none are in the villages, and of course none are in the rural areas--which have a large proportion of the total population. An urban location of physicians is quite customary, but it is unusually important for Haiti because so much of the country is mountainous and so much of it is without good roads or means of transportation essential to enable rural people to have ready access to medical care.

The distribution of physicians is more meaningful when inspected with reference to geographical subdivisions smaller than départements. Appendix table 10 shows the location of all physicians by localities (as well as départements), and Appendix table 11 shows the location of 118 physicians who, as of April 1950, were employed (full-time or part-time) in hospitals and health centers.

The physicians are heavily concentrated in Port-au-Prince and its immediate environs, and in those provincial towns which have public hospitals. Since the medical benefits of the social insurance programs would have to be provided mainly through the hospitals and their clinics for ambulatory patients, the distribution of physicians must be seen not only by départements but also by reference to the location of the hospitals. A special tabulation was prepared to show the location of the 241 physicians engaged in serving the general population (as of April 1950). This tabulation (table 14) excludes the physicians who were engaged exclusively in public health administration and in special public health programs or who were in the Garde d'Haiti.

The 241 physicians engaged in clinical practice are equivalent to about 1 per 13,000 persons in the total population--about one-sixth the number that might be considered the minimum necessary for essential medical care in Haiti. By départements, the ratios range from 1 per 6,200 in the West (including Port-au-Prince) to 1 per 53,000 in the South. By hospital districts, the ratio is as low as about 1 physician per 3,000 in the Port-au-Prince district and as high as 1 per 71,000 in the Petit Goave district. Most of the ratios would be still more adverse if the numbers of physicians could be deflated--as they should be--for physicians who are registered but are not actually engaged in the practice of medicine or are abroad.

Of the 299 physicians in Haiti in April 1950, 86 were reported to be engaged wholly or mainly in a specialty of medicine: in obstetrics and gynecology, 23; in general surgery, 20; in pediatrics, 11; and in other specialties, 32. Their geographical distribution is shown in Appendix table 12.

Table 14

Geographical Distribution of Physicians Engaged in Clinical Practice 1/

(April 1950)

Département or hospital district	Number of physicians	Persons per physician
Département		
North	22	24,554
Northwest	5	33,669
Artibonite	23	24,725
West	177	6,184
South	14	52,869
All	241	12,913
Hospital district		
Cap-Haitien	22	24,554
Port-de-Paix	5	33,669
Gonaives	9	20,181
Hinche	7	20,101
St. Marc	9	25,170
Belladère	3	51,949
Port-au-Prince	163	2,951
Jacmel	7	35,201
Petit Goave	5	70,665
Jérémie	5	44,452
Les Cayes	8	46,968
All	241	12,913

1/ Includes physicians employed in public hospitals, clinics, dispensaries, health centers, etc., and those in private practice and in industry. Excludes physicians in public health administration, in special public health programs, and in the Garde d'Haiti.

The geographical concentration of physicians is especially heavy in and around Port-au-Prince. Of the total of 299 physicians (April 1950), 194 or 65 percent were in the capital city and its suburbs (Port-au-Prince and Pétionville) which have only about 5 percent of the total population (152,400 of a total of 3,112,000, according to the census of August 1950). Of the 241 counted as engaged in clinical practice, 163 or 68 percent were located in this area. Thus, the immediate capital area has about 1 physician per 800 persons. These physicians serve not only the capital but also the surrounding area--a total population of about 500,000, and in some measure the whole country because of cases referred to Port-au-Prince from other places.

The rest of the country has about 105 physicians of all kinds. Exclusive of those in employments which limit their availability to the general public (SCISP, 8; and Army, 11) there are about 86 outside the capital and its immediate environs, equivalent to about 1 per 34,400 persons. Of these 86, only 78 are estimated to be engaged in clinical practice.

Most of the physicians were trained in the national medical school in Port-au-Prince. Many (the exact number is not available) have had education and training in other countries. The medical school has been graduating about 20 students a year. It recently expanded its student body and is prepared to graduate about 40-50 per year.

No comprehensive or altogether reliable data are available on physicians' incomes. The Department of Public Health estimates that average net income of all physicians in Haiti is about $2,400 per year--about $1,200 from public employment and an equal amount from private practice. Some private practitioners who were consulted on this point estimate that the average net income of general practitioners (from all sources) is about $2,400 a year, of specialists about $4,200 a year, and of all physicians (assuming 4 general practitioners per specialist) about $2,760 a year.

According to the Budget for Haiti for 1950-51, physicians employed in the Department of Public Health receive on the average $1,567 a year. For the clinical practitioners, as distinguished from administrators, this is salary for a little more than half-time service--5 hours a day.

It may be estimated that total gross income of all physicians in Haiti is about $900,000 a year; and total net income about $750,000 a year. The gross figure is equivalent to about $0.30 per capita for all of Haiti. If regarded as paid, in the main, by one-half the population, the total is equivalent to $0.60 per capita for these people; and if treated as paid principally by one-third of the population, it amounts to $0.90 per capita for them. Of the dollar amount, about one-half is spent through public (Government tax) funds, and about

one-half through private fee payments. In addition, it is reported that a substantial amount (some estimates are as high as $200,000 to $300,000 a year) is spent for all kinds of medical care by middle and upper income classes for services obtained outside Haiti.

The fee charged for an office visit is generally $1-$2--occasionally $3; for home calls $2-$5. No quantitative information is available on the extent to which fees are actually collected.

No reliable data are available on the physicians' work-loads. As noted earlier, those who hold salaried positions in the hospitals and health centers quite generally engage in private practice outside the regular hours of their (part-time) salaried positions. Both they and the physicians who are exclusively in private practice are reported to be generally occupied for substantially less than their full or maximum (practical) capacity. Informal estimates, furnished by officers of the Department of Public Health and by private practitioners, agree that physicians have unused time equal, on the average, to at least 25 percent and more probably 33-1/3 percent of full-time capacity. In addition, it is a common opinion among physicians that the supply of physicians in Haiti would be quickly augmented by the 25-50 who are abroad if their opportunities for practice in Haiti were improved.

Hospitals, Clinics and Dispensaries

The hospitals of Haiti include the following (as of March 1951):

	Number	Beds
Public 4/ (Department of Public Health)		
General hospitals	11	1,476
Maternity hospital	1	100
Tuberculosis sanatorium	1	100
Hospital for psychopathic patients 5/	1	-
Health centers	4	-
Dispensaries - "standard"	43	-
Dispensaries - "non-standard"	98	-
Private		
Hospitals and clinics	6	77

Thus, the hospital and related facilities are, in the main, those owned and operated by the Government. They employ a total of 1,010 persons.

4/ This tabulation excludes the Hôpital Militaire (Garde d'Haiti) which has about 80 beds, and the 9 asylums for the indigent with 900-1,000 residents.

5/ Construction started, but not yet completed.

All of the 1,653 beds in general and maternity hospitals, public and private, are equivalent to about one bed per 1,900 persons. If they were distributed throughout the country in reasonably uniform relation to population they would be about one-fifth or one-fourth the minimum number (1 per 400 or 500 persons) that could be conceived as sufficient for care of the population.

The location of the 11 public general hospitals and the one public maternity hospital, and the distribution of their beds among public wards and private and semi-private rooms, are shown in table 15. The location of the public hospitals by départements and by hospital districts, and the ratios of beds to population are shown in table 16.

Thus, for the country as a whole there were 1,975 persons per bed in the public hospitals (general and maternity). But this average conceals a very wide range--from 1,300 persons per bed in the Département of the West to 3,800 per bed in the Département of the Northwest, and from 780 to 5,200 persons per bed in the various hospital districts.

The private hospitals and clinics have a total of about 77 beds. Since they are all located in Port-au-Prince, they increase the number of beds serving the capital area to a total of 694, with about 700 persons per bed in this hospital district.

The public hospitals are supplemented by dispensaries, which are now widely distributed throughout the country. According to the latest available information, there are 141, of which 43 are classified as "standard" and 98 as "non-standard." Their distribution by départements and by hospital districts is shown in table 17. It is generally agreed that, for the most part, they are quite inadequately staffed, equipped and supplied.

Service in the public hospitals and dispensaries is generally furnished without charge, though those who can afford to do so are expected to pay nominal fees. In the hospitals, the usual charge for a private room is $2 (Ø10) per day, and for a semi-private room $1 (Ø5) per day. The charges for a consultation or clinic visit range from about $0.05 to $1.00 (Ø0.20-Ø5.00).

In 1947, the last year for which detailed data are available, the 11 general public hospitals are reported to have had a total of 28,377 admissions.6/ The average daily census of in-patients in that year was 1,108, and it was substantially uniform throughout the year.7/

6/ Rapport Annuel Bio-Statistique du Service de la Santé Publique, 1947, table 3.
7/ Ibid, table 4.

Table 15

Beds in Public General and Maternity Hospitals

(March 1951)

Public hospital	Total	Public wards	Private	Semi-private
Cap-Haitien.....	265	255	10	-
Port-de-Paix.....	44	36	6	2
Gonaives.....	75	72	3	-
Hinche.....	75	72	3	-
St. Marc.....	70	66	2	2
Belladère.....	40	40	-	-
Port-au-Prince:				
General Hospital.....	517	488	14	15
Maternity Hospital...	100	100	-	-
Jacmel.....	100	89	7	4
Petit Goave.....	68	66	2	-
Jérémie.....	85	81	4	-
Les Cayes.....	137	131	4	2
Total.....	1,576	1,496	55	25

Source: Department of Public Health, March 9, 1951.

Table 16

Ratio of Beds to Population in the Départements and Hospital Districts 1/

(March 1951)

Département or hospital district	Beds in public hospitals	Persons per bed
Département		
North	265	2,038
Northwest	44	3,826
Artibonite	220	2,585
West 2/	825	1,327
South	222	3,334
All	1,576	1,975
Hospital district		
Cap-Haitien	265	2,038
Port-de-Paix	44	3,826
Gonaives	75	2,422
Hinche	75	1,340
St. Marc	70	3,236
Belladère	40	3,896
Port-au-Prince	617	780
Jacmel	100	2,464
Petit Goave	68	5,196
Jérémie	85	2,615
Les Cayes	137	2,743
All	1,576	1,975

1/ General and maternity hospitals only; excludes beds in the tuberculosis sanatorium.

2/ The public hospital in Petit Goave is here grouped in the Département of the West, though the Petit Goave Hospital District includes areas which are in the Départements of the West and the South.

Table 17

Public Dispensaries in the Various Départements and Hospital Districts

Département or hospital district	Dispensaries	
	"Standard"	"Non-Standard"
Département		
North	9	21
Northwest	-	11
Artibonite	8	15
West	12	31
South	14	20
All	43	98
Hospital district		
Cap-Haitien	9	19
Port-de-Paix	-	11
Gonaives	4	7
Hinche	2	3
St.Marc	2	7
Belladère	3	2
Port-au-Prince	5	15
Jacmel	1	12
Petit Goave	9	3
Jérémie	3	8
Cayes	5	11
All	43	98

This appears to reflect in the main that these hospitals--especially the larger ones--operate at or near full capacity throughout the year. For the fiscal year 1949-1950, the total number of admissions was 28,526 (2,377 per month).

Services rendered to in-patients in the general public hospitals in 1947 are summarized in table 18. In the aggregate, 30,411 cases received 382,874 days of in-patient care, with an average stay per case of 12.6 days. This average varied rather widely--from a low of 7.2 days per case in the Port-de-Paix hospital to a high of 22.0 days per case in the hospital at Hinche.8/

The annual reports of the Department of Public Health show about 353,000 patient-days of care in the public hospitals for 1945, and about 383,000 days for 1947. This reflects increases in some hospitals and decreases in others, the largest increases having occurred in the General Hospital in Port-au-Prince.

Related to population for Haiti as a whole, these figures (estimated for 1950 from preliminary data) imply about 0.13 patient-days per person. They also indicate the variations in different places, with as little as 0.03 patient-days per person in the St. Marc hospital district as against 0.38 patient-days per person in the Port-au-Prince hospital district (table 19).

The general public hospitals provided in 1947 a total of 280,548 consultations in their dispensaries, and these were supplemented by 209,668 in the attached rural dispensaries (total 490,216). The corresponding numbers of dispensary treatments were 316,910 and 99,690, respectively (total 416,600).9/

The Department of Public Health reports that operation of all the general public hospitals costs Ø144,371 per month ($346,500 per annum), equivalent to about $0.75 per patient day.10/ This is an over-all figure; it includes the cost of the out-patient services at the hospitals and is therefore somewhat high if applied to in-patient services only.

8/ These figures include 5,724 newborn without illness, who accounted for 38,737 days of hospitalization. Exclusive of the newborn, there were 24,687 cases, receiving 344,137 days of hospital care or 13.9 days per case.

9/ Rapport Annuel Bio-Statistique du Service de la Santé Publique, 1947, table 11.

10/ Exclusive of capital costs--which would not significantly affect this figure.

Table 18

Services Furnished in the General Public Hospitals
(1947)

Public hospital	Cases	Patient-days	Average stay (days)
Cap-Haitien.....	3,612	65,500	18.13
Port-de-Paix.....	613	4,388	7.16
Gonaives.....	1,345	20,633	15.34
Hinche.....	1,120	24,630	21.99
St.Marc.....	1,662	15,979	9.61
Belladère 1/.....	---	---	---
Port-au-Prince 2/...	15,721	158,897	10.10
Jacmel.....	1,800	20,541	11.41
Petit Goave.....	916	17,572	19.18
Jérémie.....	1,993	21,179	10.62
Les Cayes.....	1,629	33,555	20.59
Total.....	30,411	382,874	12.58

1/ Not in operation in 1947.
2/ General Hospital only.

Source: Rapport Annuel Bio-Statistique du Service de la Santé Publique, 1947, tables 50 and 51.

Table 19

Days of Hospital Care per Capita

(Public hospitals only)

Département or hospital district	Estimated patient-days per person (1950)
Département	
North	0.13
Northwest	.04
Artibonite	.10
West	.18
South	.08
All	0.13
Hospital district	
Cap-Haitien	0.13
Port-de-Paix	.04
Gonaives	.13
Hinche	.23
St.Marc	.03
Belladère	(1/)
Port-au-Prince	.38
Jacmel	.10
Petit Goave	.04
Jérémie	.11
Les Cayes	.07
All	0.13

1/ Not available.

The Public Hospitals in Port-au-Prince

Of the 1,576 beds in the public general and maternity hospitals of Haiti, 617 or 39 percent are in Port-au-Prince—in the General Hospital and the maternity hospital (Hôpital Isaie Jeanty).

The General Hospital

This, much the largest and most important hospital in Haiti, is reported to have 517 beds (March 1951). They are divided as follows:

	Beds
Private rooms.....	14
Semi-private rooms.....	15
Public wards.....	488

Charges.---For the private room beds, the charges are $3-$4 per day. The services of the physician are not included in the charges for the private beds. There is no fixed fee schedule. Payments are made to the hospital, and vary from $30 to $100 per case. Officers and employees of the Government are entitled to a 50 percent reduction in charges for bed and treatment. Medical and nursing attendance is free for occupants of the semi-private beds. For 6 private-room maternity beds, the hospital makes an over-all charge of $55 for the whole case (including food, medical and nursing attendance, etc.); for each of the 3 semi-private maternity beds the charge is $35. The average stay is now reported to be 7-9 days.

For the beds in the general public wards, the in-patients pay nothing. They receive food, medical and nursing care, medicines, etc. In some complicated cases, they may arrange from outside the hospital staff for specialized services not available within the staff. For the patients in the maternity wards, there is a charge of $1 at termination of the case. The average stay is 7-9 days. The administration is considering a policy of asking all patients in the public wards to make "a gift" to the hospital, at time of discharge, according to their means.

Operating finances.--The budget allotment for the whole General Hospital for 1948-49 was ₲89,178 per month. At the end of the fiscal year, the Hospital returned a balance of ₲28,000 to the public Treasury. The budget for 1949-50 was ₲100,948 per month. ₲34 was returned to the public Treasury at the end of the year, and there was a net deficit of about ₲4,000.

Receipts from patients are used for the operation of the hospital and do not appear as such in the Government Budget. All patients are served by staff of the hospital who are paid by the Government; and the costs of bed, board and treatment for the private and semi-private patients--as well as for the public ward patients--are a charge on the hospital.

It is reported that physicians have proposed to the administration that they should receive 25 percent of the fees paid by the private and semi-private patients.

Receipts from private and semi-private (including maternity) patients were ₡68,150 for the fiscal year 1948-49. (No data are available for 1949-50.)

The total budget reported here (about ₡100,000 per month) divided among about 15,000 patient-days per month is equivalent to ₡6-₡7 ($1.20-$1.40) per patient day.11/ This figure includes the cost of out-patient services, and is therefore somewhat too high as a cost for in-patient services only.

In-patient services and occupancy rate.--In 1947, total cases were 15,721,12/ with little variation in admissions from month to month.13/ The average daily patient census for that year was 485.14/ Total in-patient services calculated against the reported number of cases, were as follows:

	1947		
	Cases	Patient days	Average days per case
Total.....	15,721	158,897	10.1
Maternity (normal)....	4,182	27,948	6.6
Newborn (normal).....	3,920	23,892	6.1
All other.....	7,619	107,547	14.1

Total admissions for the period July 1949-June 1950 were somewhat lower--14,872. Maternity cases now number about 313 per month.

The Administrator of the Hospital reports that the occupancy rates have been and are approximately as follows:

Beds in public wards.....	100 percent
Beds in private and semi-private rooms...	90 percent

Out-patient services.--Patients served in the out-patient clinics receive services (medical and surgical consultations and medicines) free of charges, except as noted below. The General Hospital supplies only basic medicines; other medicines (prescribed specialties) have to be purchased privately by the patients.

11/ Exclusive of capital costs.
12/ Rapport Annuel, 1947, tables 50 and 51.
13/ Ibid, table 3.
14/ Ibid, table 4.

Out-patient services in 1947 were as follows:

	Consultations	Treatments
Total.....	144,337	125,086
At the General Hospital.....	110,755	113,724
Related Dispensaries.....	33,582	11,362

Eye, ear, nose and throat.--With the exception of indigent patients, those served in these clinics are required to pay ¢0.50 per consultation, and ¢5.00 for operations (once a week).

X-ray, laboratory, etc.--Patients served in the clinics are required to pay for various kinds of examinations, according to a fee schedule. This applies to X-ray examinations, blood chemistry, urine analysis, etc. Fees for radiographic services range from $5 to $30.

It is estimated by the Administrator of the Hospital that the out-patient services use about one-third of the medicines and other supplies furnished by the central pharmaceutical and other services.

Expansion of the Hospital.--The Administrator advises that expansion of the Hospital could be readily achieved. For an additional 100 beds--which could be served by the central facilities--it would be necessary to construct at least 3 new wards, each containing 30-35 beds. Such an addition of 100 beds would require additional personnel as follows:

	Per ward	Total
Physicians.....	2	6
Nurses.....	6	18
Attendants.....	3	9
Administrative persons.....	-	2

New hospital construction.--The General Hospital in Port-au-Prince is long past its useful life. It is inadequate for good hospital care--such as is feasible in Port-au-Prince; and its equipment is pathetically deficient.

The Government is giving careful consideration to the construction of a new general hospital, and to the reconstruction of part of the present hospital to serve as an adjunct. This is part of a larger program which is also concerned with new and equally badly needed facilities for the medical (etc.) schools, the nursing school, a nurses' residence, etc. A survey has been made by a consultant from the PASB (WHO) and preparations are being made for architects' designs. At this time (March 1951), it appears that if the construction program is initiated promptly, the new hospital and related facilities could be ready for use about July 1, 1953 or soon thereafter.

The Maternity Hospital

The Hospital Isaie Jeanty is a 100-bed maternity hospital opened in 1948. Twenty beds are reserved for cases with complications of pregnancy. Of the remaining 80 beds, 5 are reserved for infected cases and for emergencies. The hospital is served by a staff of 5-7 physicians, 8 trained (obstetrical) nurses and 6-7 midwives. Its occupancy varies from 75 to 100 percent, with an average patient stay of 8-9 days.

Admission and service is substantially free; the hospital admits all cases that apply. The patient is charged only ₲10.00 ($2.00) for the entire case. The public Budget provides the cost of bed, board, medical and other attendance and medicines. The income from patients pays the cost of special medicines.

During the fiscal year October 1949-September 1950, there were about 3,000 deliveries (minimum 221 in February 1950; maximum 297 in July 1950). There are about 250 per month now (March 1951).

The total budget for board, etc., is ₲3,802 per month. (In addition to the patients, 26 other persons are fed at the expense of the hospital.) Average cost of board (126 persons) is ₲1.00 per day. Medicines and related supplies cost ₲54,000 a year, equal to ₲18.00 ($3.60) per delivery. Together, board and medicines, etc., cost ₲100,000 for the year. This is equivalent to about ₲4 ($0.80) per patient day and about ₲33 ($6.60) per delivery. Salaries (physicians, nurses, midwives, and other personnel) cost about $30,000 per year (about $10 per case and about $1.20 per patient-day). Thus, the total cost per patient-day is probably about $2, including bed, board, medicines, and medical and nursing attendance but not including capital costs.

Infant deaths in the year 1949-50 were 132 (minimum 5 in November 1949; maximum 17 in January 1950). There were 5 maternal deaths during the year.

The hospital can be readily expanded--by adding wings or building units to provide wards of 30, 50 or 100 beds, and to provide semi-private wards or rooms, and by adding delivery rooms, etc.

Other Professional Personnel

Dentists

It is reported that Haiti had (mid-1950) a total of 74 licensed dentists, one per 42,000 persons in the total population. Of these, 66 were in private practice and 8 were employed by the Department of Public Health. The total number is equivalent to one dentist per 42,000 persons. Their geographical distribution is shown in table 20.

Of the total of 66 dentists in private practice, 44 (two-thirds) were located in Port-au-Prince. The 8 dentists employed by the Government were distributed among 7 cities in 4 départements (Appendix table 13). It is reported that the number has increased somewhat (March 1951).

Pharmacists

It is reported that, in mid-1950, Haiti had 83 registered pharmacists. Their geographical distribution is shown in Appendix table 14, and may be summarized as follows--

Département	Number	Persons per pharmacist
North	6	90,033
Northwest	2	84,173
Artibonite	8	71,083
West	54	20,269
South	13	56,936
Total	83	37,494

It is reported that altogether there are 375 pharmacies and 125 persons serving as pharmacists.

Nurses, Midwives, Aides, etc. 15/

It is reported by the Department of Public Health that there are 218 nurses in Haiti, as follows:

15/ For public health nurses and aides employed by the Department of Preventive Medicine, see Appendix table 15; for nurses employed in the Department of Public Health (Division of Preventive Medicine)--in the headquarters offices, health centers, etc., see Appendix table 16; for nurses' salaries by type of employment (hospitals, clinics, etc.), see table 23.

Table 20

Geographical Distribution of Dentists

Département or hospital district	Number	Persons per dentist
Département		
North	6	90,033
Northwest	3	56,115
Artibonite	7	81,238
West	49	22,337
South	9	82,241
All	74	42,054
Hospital district		
Cap-Haitien	6	90,033
Port-de-Paix	3	56,115
Gonaives	3	60,543
Hinche	2	50,251
St.Marc	2	113,266
Belladère	-	---
Port-au-Prince	46	10,458
Jacmel	3	82,135
Petit Goave	1	353,325
Jérémie	4	55,565
Les Cayes	4	93,937
All	74	42,054

In the Department of Public Health.....	207
In private clinics.....	10
In an industrial clinic.....	1

Their average salary is given as $50 per month.

There are 35 "auxiliaries" (aides) in the public hospitals, employed at salaries of $20-$50 per month; also 52 "panseurs" (dressers) and 83 "sisters."

There are 47 midwives in Haiti.

Special Facilities in Industry

Only the following industrial establishments are reported to have clinics (1-4 beds each), served by a physician and nurses:

Establishment	Beds	Disp.	Personnel MD	Personnel Total
Plantation Dauphin.....	12	2	3	7
Haitian Agr. Corp.			1	2
Shada (St. Marc).....			1	2
Shada (Foret des Pins)....			1	2
Hasco.....	2		2	4
Standard Fruit.....	—	—	1	2
Total.....	14	2	9	19

Public Health Personnel

Reports from the Department of Public Health show total personnel of 206 for the Division of Preventive Medicine, and 125 for the Division of Sanitary Engineering. In the former, there were—

Physicians.....	46
Dentists.....	8
Pharmacists.....	1
Public health nurses and aides.....	101
Laboratory technicians.....	12
Other personnel.....	38
Total.....	206

Their geographical distribution by hospital districts is shown in Appendix table 15. The 119 persons connected with the headquarters offices and the health centers in Port-au-Prince are shown in Appendix table 16.

There is no school for the training of public health personnel in Haiti. Special training in public health for physicians, nurses, sanitary engineers, etc. is obtained in other countries.

It is estimated by the Department of Public Health that not more than one-sixth of the population (about 500,000 persons) benefit from present public health services.

Salaries in the Department of Public Health

Large proportions of all medical and related personnel are employed on a part-time or full-time salary basis in the Department of Public Health. It is therefore of considerable interest to note the amounts paid. Tabulations were prepared from the Budget for 1950-51. The results are shown in tables 21 (physicians), 22 (dentists), and 23 (nurses). The data may be summarized, in terms of averages, as follows:

Average annual salaries,
Department of Public Health
1950-51

Physicians	$1,567
Dentists	1,126
Nurses	630

Account should be taken of the fact that for the physicians and dentists who engage in clinical work these are only part-time salaries (5 hours per day), supplemented by private service for fee outside their regular hours of employment. Also, that the salaries of nurses are reported to be grossly insufficient to sustain adequate recruitment, maintenance or expansion of personnel.

Table 21

Salaries of Physicians

(Department of Public Health)

Type of employment	Average annual salary	Total number	Number with specified annual salaries				
			$2,400 to 3,000	$1,800 to 2,280	$1,260 to 1,680	$1,200	$720 1/
All types.....	$1,567	148	6	46	37	52	7
Administration (Departmental)..	2,018	4	2	--	1	1	-
Sanitation, health, education, etc..	1,698	5	-	2	3	-	-
Faculty of medicine.....	1,650	27	2	8	9	8	-
Consultant services.....	1,514	15	-	4	5	6	-
Hospitals.....	1,533	81	2	28	14	30	7
Clinics, dispensaries and health centers..	1,494	16	-	4	5	7	-

1/ Internes and residents.

Based on tabulations from the Budget for 1950-51.

Table 22

Salaries of Dentists

(Department of Public Health)

Type of employment	Average annual salary	Total number	Number with specified annual salaries				
			$2,160	$1,620 to 1,680	$1,200	$840 to 980	$720
All types.....	$1,126	30	1	6	6	12	5
Faculty of dentistry..	1,323	18	1	6	6	5	-
Hospitals.....	780	6	-	-	-	2	4
Clinics, dispensaries and health centers...	878	6	-	-	-	5	1

Based on tabulations from the Budget for 1950-51.

Table 23

Salaries of Nurses

(Department of Public Health)

Type of employment	Average annual salary	Total number	Number with specified annual salaries				
			$840	$780	$720	$660	$600
All types.....	$630	205	1	2	18	57	127
Faculty of nursing, etc....	645	4	—	—	—	3	1
Hospitals.....	630	160	—	2	14	45	99
Clinics, dispensaries and health centers.....	628	34	—	—	4	8	22
Visiting nursing.....	643	7	1	—	—	1	5

Based on tabulations from the Budget for 1950-51.

CHAPTER V

Sickness and Maternity Insurance

Review of the proposed system of sickness and maternity insurance is limited by the data that are available. This applies especially to quantitative inspection of coverage, costs and contribution rates. The analysis presented in this chapter therefore follows an unconventional procedure. It proceeds by considering application of insurance specifications first to limited coverage in the Port-au-Prince area, second to broader coverage in this area, and finally to all employed persons throughout Haiti.

Limited Coverage in Port-au-Prince

Limited coverage in Port-au-Prince and its environs is assumed to include regular and substantially full-time employees in both private and public establishments. Private employment is considered to include commerce and industry; but at this point it does not include either domestic employees in private homes or the seasonal employees in the agricultural and related establishments with headquarters in Port-au-Prince or in nearby places.

Coverage

The 1949 census of Port-au-Prince suggests that such a coverage might extend to approximately the following:

Private employers	1,800	1/
Private establishments	1,000	2/

And it might cover the following persons:

Private employees	10,000	3/
Public employees	6,000	4/
Total employees	16,000	

1/ Based on the census of Port-au-Prince, 1949.

2/ Approximately twice the number covered by the Bureau of Labor survey of April 1950. (See Chapter III) The number of establishments (1,000) is less than the number of employers (1,800) because many employers do not operate from fixed establishments.

3/ Approximately four times the number covered by the Bureau of Labor survey, and based on the census of 1949.

4/ Based on the census of 1949. The third survey of public employment suggests that this number may be too high for Port-au-Prince except when the number of Government employees engaged in construction, repairs or other public works is large. The excess over 3,500 or 4,000 may be subject to considerable fluctuation within a year or from year to year. Continued general increase in the Government budget and employment operates to justify the figure used in this analysis.

Of these employees, about 15,000 would probably have a sufficient amount and continuity of covered employment in the course of a year to qualify for insurance benefits. This number would be further reduced if the insurance coverage excluded employees with earnings in excess of some specified maximum; but such an income exclusion is tentatively ignored.

There are no adequate data for a reliable estimate of dependents. The available information (see chapter III) suggests that these would be, on the average, between 1 and 2 qualified and eligible dependents per insured employee.5/ Thus, the total estimates for the limited coverage are:

Insured (qualified) employees	15,000
Insured dependents	15,000-30,000
Total eligibles	30,000-45,000

Contribution Income

The basic data on earnings used in this analysis are those which can be derived from the surveys of private and public employment conducted by the Bureau of Labor for the purposes of this study (see chapter III). They are summarized in table 24 and in Appendix tables 17, 18 and 19.

This first financial analysis uses not the insurance specifications contained in the law of October 1949, but those in the current draft of a revised law. It assumes compulsory coverage of employees with earnings up to ₲500 per month, but with the contribution rates applicable only to earnings up to ₲300 per month. This is an intermediate type of specification between:

(a) The specification in the law: compulsory coverage of only those with earnings up to ₲300 per month, and this amount subject to contributions; and

(b) A broader specification: compulsory coverage of all employees (regardless of earnings), with up to ₲500 per month subject to contributions.

The earnings data used here are in the form of annual earnings. They were derived by multiplying average monthly earnings by 12, implying that these are the earnings of persons who have year-round employment.

5/ Fragmentary data suggest that qualified dependents may be nearer 1 than 2 per insured employee, but the range used here seems to be necessary until more reliable information is available.

From the survey data it is calculated that the following average annual earnings would be subject to the insurance contribution rates 6/ for sickness and maternity insurance coverage in and near Port-au-Prince:

	Per employee
Private employees	$ 360 a year
Public employees	526 " "
All employees 7/	413 " "

The total annual earnings subject to insurance contribution are therefore estimated as $6,610,000; and each 1 percent of contribution for sickness and maternity insurance equals $66,100, or $4.13 per covered employee and $4.41 per insured employee. Contributions at the rate of 8 percent (employers and employees combined), as specified in the law, would yield about $33.04 per covered employee and $35.28 per employee eligible for insurance benefits. (All of these figures will be changed if the specifications for coverage are amended.)

Cost of the Cash Benefits

Wage-loss benefits.--The Social Insurance Law of October 1949 specifies benefits payable from the 5th day of incapacity, without limit on duration. The benefit rate is 50 percent of basic wage, plus 10 percent for each dependent up to a maximum of 70 percent. The revised draft bill proposes a longer waiting period, a limit on the duration of benefit, and a uniform rate of benefit regardless of whether or not the incapacitated employee has dependents.

For the purposes of this analysis, the very liberal (and potentially much more expensive) benefits in the law have been discarded in favor of the more conservative benefits in the revised draft bill. The main specifications used here are as follows:

Benefit rate	67 percent of basic wage 8/
Waiting period	7 days 9/
Maximum duration	26 weeks

6/ Compulsory coverage of those with earnings up to G500 per month, and contributions on earnings up to G300 per month. With respect to public employees, the earnings were derived from the first two surveys; the results of the third survey were not available in time for use in this connection. Use of the data from the third survey would have increased the average for public employees in Port-au-Prince from $526 to $544 a year.

7/ Combined in the same proportions as in the estimated coverage (10 and 6, respectively).

8/ May be reduced, under regulations, by one-half during hospitalization of insured employees who have no dependents.

9/ No waiting period for an incapacity beginning within 60 days after a previous incapacity.

Table 24

Average Annual Earnings According to Earnings Limits

Public and Private Employees

Employees and earnings	Annual earnings ($) per annum	
	Port-au-Prince 1/	Haiti 2/
1. All employees	584	478
1a. Excluding earnings in excess of G500/mo.	528	439
1b. Excluding earnings in excess of G300/mo.	446	387
2. Employees earning not more than G500/mo.	438	375
2a. Excluding earnings in excess of G300/mo.	413	363
3. Employees earning G301-G500/mo.	934	925
4. Employees earning not more than G300/mo.	373	327
5. Employees earning G110-G150/mo.	280 3/	301 3/
6. Employees earning less than G110/mo.	228 3/	224 3/
7. Employees earning G501/mo. and more	1,776 4/	1,892 4/

1/ Earnings of public and private employees combined by weighting 6 and 10, respectively--the proportions expected for limited coverage in the Port-au-Prince area.
2/ Earnings of public and private employees combined by weighting 10 and 90 percent, respectively.
3/ With respect to public employees, based on the first survey.
4/ Assumes average of G600 per month for public employees.

The special surveys show the following amounts of sickness absenteeism per employee in the course of a year:

Public employees	2.1 workdays
Private employees 10/	2.5-3.2 "

These figures cover all durations of incapacity and all cases, whether work-connected or not. Exclusion of the cases lasting less than 8 days (i.e., cases with durations that are wholly within the waiting period) eliminates about 50 percent of the cases and about 11 percent of the days of incapacity. In morbidity statistics for the U.S.A. and other countries, the cases lasting less than 8 days usually are 65-85 percent of all cases and account for 25-45 percent of the days of incapacity. The survey findings (2-34 days of incapacity per employee) are surprisingly low by comparison with 5-15 days per employee in other countries. The small proportion of short-term cases and days of incapacity suggests that the surveyed employees did not abstain from work in many of the short-term illnesses that usually cause absenteeism, or that the surveys failed to obtain reports on many such cases, or both. To the extent that the survey figures are low because of cases and days that last or--if the employee had stayed away from work--that would last less than 8 days, there is no error in using them for the estimate of wage-loss benefits with respect to cases lasting 8 days and longer.

Exclusion of the days of incapacity beyond the 27th week (1 week of waiting period plus the maximum of 26 weeks of benefit) eliminates an indeterminate or negligible percentage of the total reported amount of incapacity.

It is assumed here that the survey findings underestimate the amount of incapacity that would be compensable when insurance benefits are available. This is the necessary conservative assumption for the balance sheet in advance of actual insurance experience.

In light of experience in other countries, it might be assumed here that there could be 5-7 compensable days per insured employee. At the benefit rate of 67 percent, these assumed rates of incapacity would lead to the following costs:

	Percent of covered earnings
Assuming 300 workdays per year	1.1-1.6
" 275 " " "	1.2-1.7

A cost of 1.0 percent of covered earnings would be equivalent to 4.1-4.5 compensable days of incapacity a year per insured employee.

10/ Port-au-Prince.

It is said that the intense competition to obtain and to hold a job in Haiti may account for the low rates of recorded or reported sickness absenteeism, especially for the low rate of minor and short-term illness; and that this condition would largely persist even after sickness benefits become available through insurance. If this is correct, an annual expectancy rate of 3 or 4 compensable days of incapacity per insured worker may be sufficient and the cost would be about 0.7-1.0 percent of covered earnings.

Intermediate figures may be used for this financial analysis. Cash wage-loss benefit may be expected to cost 1.0-1.25 percent of covered earnings. Actual experience may be lower or higher; but these figures are probably reasonable for advance budget purposes.11/

Maternity benefits.--The insurance law specifies the same benefits for maternity cases among insured persons as for incapacity. Instead, the following specifications are used here:

Benefit rate	67 percent of basic wage
Maximum duration	42 days 12/

No data are available on the maternity or pregnancy rates among gainfully employed women in Haiti who would be insured employees. For this analysis, alternative annual rates of 25, 50, and 100 compensable cases per 1,000 insured female workers are assumed. This provides a range of from $2\frac{1}{2}$ to 10 times the rates actually observed in other countries with insurance providing maternity benefits.

From the special surveys summarized in chapter III, females are estimated to constitute 16 percent of the public and 40 percent of the private (insured) employees. Benefit duration per compensable case is assumed to be 28 compensable days on the average, out of a possible maximum of 42 days. With these assumptions, the cost of these benefits would be 0.05-0.2 percent, or 0.06-0.22 percent, of covered earnings according as the average work-year is assumed to have 300 or 275 work-days, respectively.

11/Note that no deduction or allowance has been made for so much of the incapacity as is work-connected and chargeable to the separate cost of workmen's compensation.

12/Twenty-one days before and 21 days after delivery.

Death benefits.--The insurance law and the revised draft bill specify a benefit amount equal to 3 months' basic wages.13/

In the absence of applicable data, it is assumed here that Haiti has a general death rate of about 20 per 1,000 persons, and that the annual death rate among the insured persons might be about one-half of that general rate--about 10 per 1,000. At this rate, annual benefit payments in death cases would equal 30 months' of average (basic) wage per 1,000 insured persons, or approximately $1 in benefit per $400 of insurance-covered earnings. Thus, this benefit would cost about 0.25 percent of insurance-covered earnings.

All cash benefits.--The costs of the three cash benefits may be summarized as follows:

Cash benefit	Annual cost in--	
	% of covered earnings	$ per insured
Wage loss	1.0-1.25	$4.22-$5.28
Maternity	0.05-0.22	0.21-0.93
Death	0.25-0.25	1.06-1.06
Total	1.30-1.72	$5.37-7.10

Note.--The costs shown here have been calculated by reference to the average annual earnings given earlier in this chapter. To the extent that those earnings correctly reflect weekly or monthly earnings (or "basic wage" used for determining benefit rate), they are a correct base for the calculation of cost in "$ per insured", even though employment is interrupted during the course of the year. This results because the eligibility conditions provide for maintenance of insured status despite approximately half-time lack of insured employment. However, cost in "% of covered earnings" is under-estimated to the extent that the assumed average annual (covered) earnings over-estimate the amount of earnings that would be subject to insurance contributions in the course of a year. Later, when considering the contribution rate needed to finance the system, allowance will be made for this possibility.

13/ The social insurance law provides (art. 59) that this benefit would be payable to dependents, but only if the decedent had been registered under the insurance system for at least a year and had paid contributions for at least 240 days. The revised draft law provides more or less similarly, but also provides for payment of the benefit in the absence of qualified dependents, in this case the money going to those who had been responsible for meeting the expenses of the decedent's last illness and of the funeral expenses (up to the amount of such expenses). These specifications are ignored here; the full amount of death benefit is assumed payable in all death cases.

Cost of the Medical Benefits

It is almost gratuitous to repeat that there is no adequate basis for making a precise or altogether reliable estimate of costs for the medical benefits. The best that can be done is to draw upon such information and data as are available and to approximate the probable cost. Conservatism must be emphasized; and, in this connection, conservatism means a relatively high cost estimate.

For limited coverage in and near Port-au-Prince medical-benefit costs per capita can be much higher than elsewhere in Haiti, because the resources for furnishing services are very much larger in the capital area than in other parts of the country and because medical costs may be higher per unit of service.

Both earnings levels (and, hence, contribution income) and medical costs are primarily as of 1949-50. Income and outgo data are therefore on the same wage and price level. Both may need adjustment--upward or downward--for another time period and for another wage or price level. But as long as wages and prices stay in the same relation to each other as in 1949-50, costs estimated here in terms of percent of earnings will still be applicable.

Both the Social Insurance Law of October 1949 and the revised draft bill provide an arbitrary time limit on medical benefits: from the beginning of sickness for a maximum duration of 27 weeks in the case of employees, and for a maximum of 13 weeks in the case of dependents, with the proviso that these limits may be extended to 1 year in special cases (e.g., prolonged convalescence). For the purposes of this financial analysis, medical benefits are assumed to be available as needed, without arbitrary time limit; and no financial offset has been taken by reason of the time limit in the law and in the revised bill.

Hospital care.--It is estimated from the available data (see chapter IV) that the public hospitals presently furnish annually about 0.65 days of general and maternity hospital care per person in the population they serve in and near Port-au-Prince. This estimate is probably slightly high; but it is nevertheless used because the excess offsets the small amount of bed care which is furnished by private hospitals and clinics in the area but which is not included in the figure.

How much hospital care should be expected under the proposed insurance arrangement? The estimate must have due regard for all the information available as to need for more hospital care. And it must take account of the outlook for effective demand and for enlarged and improved facilities for care. With these factors in mind, it is

estimated that the insurance system should be prepared to assure the availability of, and to pay for, hospital care benefit amounting annually to about 1 day of in-patient care per eligible insured person.14/

An in-patient day of hospital care in Port-au-Prince (general and maternity) now costs about $1.25 or possibly less (including bed, board, medical and other attendance, medicines, maintenance of plant and equipment, etc., but exclusive of capital construction cost). The service is badly inadequate. The insurance system should expect to furnish much-improved care. Even if insurance benefits become available in the very near future, improvements should have been made by that time so that the cost of an in-patient day for insured persons is properly about $2. Improvement to a satisfactory level, which should be achieved by all practical means as soon as possible thereafter, should mean a patient-day cost of $2.50-$2.75 when new facilities, more adequate staffing and service can be available to the insured.15/

The generosity of these dollar amounts may be illustrated by the following calculations. It is authoritatively estimated that a ward of 33 beds requires for adequate service 2 physicians (part-time), 6 nurses, 3 attendants and 2/3 of a full-time administrative person (see page 55). (This is about twice the staff now actually used.) Using $3,000 a year per full-time physician, $960 per nurse, $500 per attendant and $1,200 per administrative officer, total staff for a 33-bed ward would cost $11,060 a year. This is the staff cost for about 11,000 patient-days of care. At the hospitalization rate of 1 patient-day per insured person, the staff cost equals almost exactly $1 per patient-day and per insured person. A total cost of $2-$2.75 per patient-day still leaves $1-$1.75 per patient-day for non-staff costs (food, laundry, equipment, medicines, operating room staff, etc.) for in-patient care. These are ample for hospital care in Port-au-Prince; and they may be augmented if the staff costs are less than the amounts assumed above.

Thus, the annual cost per insured person for hospital benefit is placed at $2 as a minimum and $2.75 as a maximum for the near-time future. No assumption is intended here, by the illustration used concerning staff costs, as to the extent to which the in-patient hospital care is furnished in wards or in semi-private rooms.

14/ The revised draft bill provides a limit of 30 days on a case of hospitalization, subject to extension in special cases when funds and facilities will permit.

15/ The maximum figure is sufficient to include a pro rata share for amortization of the capital cost of constructing the in-patient facilities if the capital is derived on an interest-free loan basis and has to be repaid.

Clinic and home care.--Available information indicates that the amount of care from physicians for ambulatory patients and for home care of bed patients is relatively small in Port-au-Prince. The data at hand, especially for clinic care, suggest it does not amount to $0.50 per capita per annum.

The insurance budget should provide adequately for clinic and other services for ambulatory patients and for home care--with due regard for the availability of physicians and the probable effective demand to be expected when the service is available as an insurance benefit. It should also provide for laboratory, X-ray and related services to be furnished to the ambulatory sick and to the non-ambulatory patients served in their homes. To these ends, it is assumed that the expected needs for 15,000 insured persons can be met by budget allowances totalling $2 per insured employee, as follows:

	Total	Per capita
For payments to physicians	$18,000	$1.20
For their assistants, supplies, etc.	4,500	0.30
Sub-total	$22,500	$1.50
For laboratory and related services	$7,500	$0.50
Total	$30,000	$2.00

The average salary of physicians employed by the Department of Public Health in hospitals and clinics (for the period 1949-50) was about $1,500 per year for part-time service (5 hours a day, somewhat more than half-time). It was about $1,700 per year when calculated exclusive of the interns and residents. These were net incomes. It is therefore assumed that, at 1949-50 price and income levels, an adequate allowance for the insurance services is an average of about $3,000 a year per physician (net income).16/ At this rate, the budget amount ($18,000) would allow for 6 full-time physicians (or an equivalent larger number part-time) to serve 15,000 insured employees, or 1 full-time physician per 2,500. This is additional to the physicians' services already provided in the hospital-care allowance for the care of in-patients, 17/ and which amounts to about 1/4 of a physician's full-time

16/ It should be noted that this is an average per full-time physician. It would permit paying lower salaries to junior staff members, and considerably more than the average to senior members.

17/ It is also exclusive of provisions for the care of work-connected cases.

per 2,500 insured persons. (The two services combined allow for 1 physician full-time per 2,000 insured persons.) The services of the clinic physicians would be supported by a budget allowance of $0.30 per capita for supplies, etc., and of $0.50 per capita for laboratory, X-ray and related services.

The figures used here are intended to be illustrative for an insurance coverage restricted to the employed persons. If the coverage extended to their dependents as well (a total of 30,000-45,000 eligible for benefits), the same per-capita allowance would provide a total of $60,000-$90,000 a year for clinic and home care. These sums would support 12-18 physicians (full-time), and would provide for their supplies and for the laboratory, X-ray and related supporting services.

Dentistry.--Available data suggest that the insurance budget should expect to pay for the services of dentists at a rate which is about two-thirds the rate applicable to physicians (an average net income of $2,000 a year per full-time dentist). Having regard for the very limited supply of qualified dentists, and the low level of effective public demand for dental care, it is assumed here that it is sufficient to allow for one-third as many dentists as physicians. This calls for a budget of about $0.27 per capita for dentists. With an additional equal amount for supplies and supporting services, the total is about $0.55 per capita for this benefit service. This would provide about $8,250 a year for a coverage of 15,000 eligibles (about 2 full-time dentists, plus supplies and supporting services); and it would provide $16,500-$24,750 (about 4-6 dentists, plus supplies and supporting services) for 30,000-45,000 eligible employees and dependents.

Nursing and nursing-aid.--In addition to services of these kinds already provided in previous items of hospital and medical benefit, available information suggests an additional allowance of about $0.20 per capita. This would provide $3,000 for 15,000 eligibles (and $6,000-$9,000 for the larger coverage of employees and dependents) for supplementary nursing and nursing-aid--especially for home nursing on a "visiting" or "hourly" basis.

Medicines and appliances.--It is well known when budgeting for insurance services that drugs, medicines, home remedies, eyeglasses and other appliances, etc., can consume as much money as the insurance fund will supply. Most of such expenditure, especially for medicines, has little real value and contributes substantially little or nothing toward the prevention of disease, the shortening of illness or incapacity, or the acceleration or assurance of recovery.

Even if insurance benefit is restricted to medicines and appliances prescribed by the physician or dentist, expenditures for this benefit tend to be grossly excessive--particularly when the

services of physicians, dentists, nurses, laboratory, technicians, etc., are readily available to the insured person. But since the patient's expectancy and demand for medicine is persistent, a generous but still limited provision is made--$0.50-$1.00 per capita per annum, with the hope that firm administrative practice will hold the expenditure to the lesser figure--which is included in the budget here. This is an allowance for prescribed medicines, home remedies and appliances in addition to the amounts of money already included for such commodities in the budget allowances for hospital care, other physician services, dentistry, etc.

Preventive services.--It is of the utmost importance, in the interest of both the effectiveness of the program and efficiency in the use of the insurance funds, that the insurance system should do whatever it can to prevent illness and incapacity. Personal preventive services and education, general health educational activites, and special preventive health programs which are especially useful to the insured population should be supported, aided or performed through insurance funds. Care should be taken, however, that these preventive services do not supplant or duplicate activities of the Department of Public Health or of other public or private agencies that are prepared and equipped to furnish such services. For these purposes, an allowance is made in the budget approximately equal to 5 percent of other benefit costs--$0.25-$0.35 per capita. This is intended to be only a minimum, to be increased as rapidly as funds and personnel permit, so that the maximum is done to prevent sickness and incapacity.

Contingent fund.--Finally, an amount equal to about 5 percent of benefit costs is added to provide for a contingency fund--to meet costs not otherwise budgeted and to cover marginal costs which exceed itemized allotments.

All medical benefits.--The several medical-benefit estimates may be summarized as follows:

Medical benefit	Annual cost ($ per insured)		Percent of total	
	Minimum or early year	Maximum or later year	Minimum or early year	Maximum or later year
Hospital care	$2.00	$2.75	34.8	41.0
Clinic and home care	2.00	2.00	34.8	29.9
Physicians (clinic, office, home)	1.50	1.50	26.1	22.4
Laboratory, X-ray, etc.	0.50	0.50	8.7	7.5
Dentistry	0.55	0.55	9.5	8.2
Home nursing	0.20	0.20	3.6	3.0
Medicines and appliances	0.50	0.50	8.7	7.5
Preventive services	0.25	0.35	4.3	5.2
Contingent fund	0.25	0.35	4.3	5.2
Total:				
Minimum or early year	$5.75		100.0	
Maximum or later year		$6.70		100.0

Total Cost of Benefits for Employees

The cost estimates for the cash and medical benefits may now be brought together--for the limited coverage considered here (employees only). Supplemented by an allowance for administration, the total expected annual costs may be shown as follows:

Cost item	Percent of earnings 18/	$ per insured	Percent of total
Cash benefits	1.30-1.72	5.37-7.10	41.5-44.2
Medical benefits	1.36-1.59	5.75-6.70	43.5-40.8
Administration (15%) 19/	0.47-0.58	1.96-2.43	15.0
Total 19/	3.13-3.89	$13.08-16.23	100.0
Cash benefits	1.30-1.72	5.37-7.10	42.8-45.5
Medical benefits	1.36-1.59	5.75-6.70	44.7-42.0
Administration (12-1/2%)20/	0.38-0.47	1.59-1.97	12.5
Total 20/	3.04-3.78	$12.71-15.77	100.0

This summary suggests that all benefits (for employees only), including cash and medical benefits and administration, would involve a cost within the range $12.70-$16.25 per capita a year, equivalent to something within the range 3.0-3.9 percent of insurance-covered annual earnings. Since the higher figures in these ranges include some costs (especially for certain medical benefits) which are expected to be reached only after a few years of developing facilities and personnel, it is quite safe to assume that the system could probably begin to operate (for employees only) with a 3-percent contribution rate and certainly with a 4-percent rate.

These figures are in terms of annual current costs; they do not provide explicitly for the capital costs of plant, equipment, etc. However, in the case of medical benefit and administration costs, the budget items were intended to make adequate provision for maintenance; and the maximum figures cited would also allow for amortization of capital costs on a non-interest-bearing basis. This budget and financial analysis does not deal with the source of initial capital investment in plant and in durable equipment; this subject will be treated later.

18/ See Note on page 70.
19/ For the earliest years, this tabulation allows 15 percent of total cost for administration.
20/ For years after the first one or two, this tabulation assumes a maximum of 12-1/2 percent of total costs for administration.

Cost of Medical Benefits for Dependents

The coverage of dependents has been estimated in the preceding notes, but has not been included in the tables which show costs applicable only to the compulsory coverage of employees.

The Social Insurance Law of October 1949 and the revised draft bill provide that an insured employee may arrange for the voluntary coverage of certain of his dependents--wife or common-law wife (placé), and children under 16 years of age--for the receipt of the medical benefits. For such voluntary insurance, the Law requires a contribution from the employee equal to 5 percent of his basic wage.

There is no adequate body of data with which to calculate reliably the probable cost of medical benefits for dependents. For an average population of wives and children, the per-capita cost is likely to be about the same as for employees (higher for wives, especially because of obstetrical and gynecological cases; and lower for children of all ages). The estimates developed on previous pages suggest, for medical benefits, a per-capita cost of about 1.5-2.0 percent of insurance-covered earnings (one-half of the cost per employee for both cash and medical benefits and for administration). Until further information becomes available, it has to be assumed that there may be as few as 1 or as many as 2 qualifying dependents per insured employee. Thus, voluntary medical-care insurance for dependents might cost 1.5-4.0 percent of basic wage (by comparison with the 5 percent rate in the law).21/

It should be noted, however, that these remarks on the contribution rate for dependents refer to medical benefits for an average population of wives and children. Since the insurance coverage of dependents would be voluntary, rather than compulsory, each insured employee would have the right to decide for himself whether or not to choose to have his dependents covered. With a fixed and uniform contribution rate for such voluntary coverage, it is to be expected that the coverage would be chosen disproportionately by those who decide they can afford it and who need it, especially by those who have a relatively large number of dependents, and by those who know or expect that their dependents already need or will need medical services. An adverse selection of risk must be expected for this coverage. It would result in a higher-than-assumed number of dependents per insured employee, and a higher-than-average cost of medical benefits per insured dependent.

21/ Combined contributions for employees and their dependents would then have to equal 4.5-8 percent (3-4 percent for the employee plus 1.5-4.0 percent for dependents), instead of the 13 percent in the law (8 percent for the employee plus 5 percent for dependents).

Adverse selection could be so severe that the total number of dependents covered would be much less than the number estimated earlier; the number of dependents per employee among the insured employees who pay voluntary insurance premiums could be several times the ratio previously assumed; and the cost of medical benefits per dependent or per insured employee could be several or even many times the estimated premium. Even the 5-percent contribution rate specified in the law for this voluntary insurance could prove to be only a fraction of what would be needed to cover the costs for this coverage.

Thus, it would appear that the cost of medical benefits for dependents to be voluntarily insured cannot be anticipated within a wide range of possible estimates. This suggests that such insurance--if undertaken at all--should be initiated only with the greatest care.

In the alternative, if the insurance protection of dependents is regarded as highly important and desirable, it should be considered on a compulsory basis applicable to all insured employees. Compulsory coverage would avoid self-selection of dependent coverage and adverse selection of covered risk, and would give reasonable reliability to the cost estimates.

Voluntary Insurance of Employees

The Social Insurance Law of October 1949 provides that employees (in insurance-covered employments) who are not compulsorily insured because their monthly earnings exceed ₲300, may become insured voluntarily by electing to be covered and to pay contributions of 6 percent on earnings up to ₲500 per month. Such voluntary insurance would be subject to proof of absence of conditions affecting ability to work.

The draft of a revised law also provides for the voluntary insurance of various classes of employees specifically exempted from compulsory insurance (family workers, aliens and temporary resident technicians, military personnel, and clergymen). They would be required to pay contributions of 6 percent on earnings up to ₲500 per month.

There is no adequate body of information for an estimate of costs for such voluntary insurance. It has to be assumed in this analysis that, if implemented, the administrative rules and regulations would assure that benefit costs for voluntarily insured persons would be balanced by their contributions.

Cost Effects of Certain Revisions in the Specifications

Various specifications in the law, and in the revised draft bill, deserve review for their effects on the financial analysis.

Earnings Limits on Coverage and Contributions

From the data at hand, it is possible to indicate the approximate effects of changes in the assumed earnings limit on coverage (₲500 per month) and on the maximum amount of earnings subject to the insurance contribution rate (₲300 per month). The following tabulation (based on table 24 and Appendix table 17) shows the proportionate increase in income to the insurance fund that would result from various adjustments in these specifications:

Relative Insurance Contribution Income

(Income with the specifications used above = 100)

Income limit on coverage	Income limit on contributions		
	₲300/mo.	₲500/mo.	None
Port-au-Prince			
₲500 per month	100	106	—
None	108	128	141
Both Port-au-Prince and Provincial Towns			
₲500 per month	100	103	—
None	107	121	132

This tabulation shows that keeping the limit of ₲500 per month on compulsory coverage but making all such earnings subject to the contribution rate increases the estimated insurance income by 6 percent for the limited coverage in Port-au-Prince, and by 3 percent for coverage in both Port-au-Prince and the provincial towns. A change of this magnitude would not substantially affect the financial analysis.

Dropping the ₲500 per month limit on coverage (but keeping the ₲300 limit on monthly earnings subject to contribution) increases the estimated insurance income by 8 and 7 percent, respectively. Simultan-

eously increasing the income which is subject to contributions from ₲300 per month to ₲500 per month increases insurance income by 28 and 21 percent, respectively; and abolishing this limit altogether adds 41 and 32 percent, respectively.

It may be assumed that the risk-rates for benefits would be substantially unaffected by increases in the limit on earnings subject to contribution; and that they would be improved (i.e., lowered) by abolition of the earnings limit on coverage. Thus, the net increases in proportionate income would be as large as, or even larger than, those shown in the tabulations.

The increases in income shown above would directly affect the contribution rates needed to finance the insurance system. The effects may be illustrated by the following tabulation. For the limited coverage of employees in Port-au-Prince, the estimated contribution rates are taken at 3.0-4.0 percent (see page 76). Assuming compulsory coverage of dependents, these contribution rates are increased by 50 percent for 1 dependent and by 100 percent for 2 dependents per employee, respectively, calling for 4.5, 6.0 or 8.0 percent contribution rates for the combined compulsory coverage of employees and their dependents. Eliminating the earnings limit on coverage altogether, and increasing the earnings limit on contributions from ₲300 to ₲500 per month increases insurance income by 28 percent; eliminating both limits increases income by 41 percent.

Effects on Contribution Rate Resulting from Changes in the Earnings Limits on Coverage and Contributions

(Limited coverage for Port-au-Prince only)

Estimated total contribution rate with specifications in the revised draft bill 22/	Equivalent contribution rate without earnings limit on coverage, and with specified limit on contributions	
	₲500 per month	None
Employees only 23/		
3.0	2.2	2.1
4.0	3.1	2.8
Employees and dependents 24/		
4.5	3.5	3.2
6.0	4.7	4.2
8.0	6.3	5.6

22/ Assuming a coverage limit of ₲500 per month and a contribution limit of ₲300 per month.

23/ Compulsory coverage.

24/ Assuming compulsory coverage for dependents as well as for employees.

The effects on the contribution rates are large. Employee coverage (only) could be effected for not more than 2.8 or 3.1 percent (i.e., about 3 percent) instead of 3-4 percent. Total coverage of employees and dependents, with both on a compulsory basis, could be effected for 3.2-4.7 percent, instead of 4.5-6.0 percent, if there is one dependent per employee; and for 4.2-6.3 percent, instead of 6-8 percent, if there are two dependents per employee.

This analysis suggests that careful consideration should be given to changes in the earnings limits on coverage and on contributions, for their value in strengthening the finances of the insurance system, holding down the contribution rates, and enabling the provision of more adequate benefits.

Specifications for
Cash Benefits

In the interest of making a conservative beginning, the specifications for the various cash benefits might be made less generous than presently in the law (and in the revised draft law), and less generous than in the specifications previously used in this financial analysis.25/

The eligibility conditions are moderately strict--registration for at least 6 months, with insurance contributions paid in at least one-half of the last 6-months' period, of the preceding 6-months' period, or of the last 12-months' period. For the limited coverage considered in this analysis, it appears that changes in these requirements--in the direction of either tightening or loosening them--will not materially affect the expected costs. For a broader coverage, including many persons with only partial employment, the effects could be quite different. Consequently, no changes in eligibility conditions are considered here.

The wage-loss benefits might be lowered in cost by reducing the benefit rate from 67 percent to 50 percent of basic wage. This would effect reduction in the amount of benefit paid per compensable claim and--because of the less attractive nature of the benefit in marginal cases of incapacity--in the number of compensable claims. Such a change in specification may be expected to reduce the cost of this benefit by 25 or more percent (if there is no minimum benefit amount). It is safe to assume a reduction of at least 25 percent.

25/ No revisions in the medical benefits are considered here. The revised draft law provides that hospitalization shall not exceed 30 days in a case, but that this period may be extended in special kinds of cases by administrative decision. This limitation has already been taken into account in the estimate of hospital benefit (1 day per capita per annum).

A similar reduction in the benefit rate for maternity benefits may be expected to reduce this benefit cost by about the same proportion--at least 25 percent.

The death benefit would be an amount equal to 3 months' basic wages. If reduced to 1-1/2 month's wages, the cost would become one-half of the amount estimated earlier; and if reduced to 1 month's wages, one-third.

The financial effects of such changes in specifications may be summarized as follows:

Cash benefit	Cost (% of covered earnings)	Reduction (%)	Reduced Cost (% of covered earnings)
Wage loss	1.0-1.25	25	0.75-0.94
Maternity	0.05-0.22	25	0.04-0.17
Death	0.25-0.25	50	0.13-0.13
		66 2/3	0.08-0.08
Total	1.30-1.72		0.92-1.24
			0.87-1.19

The reduction in the total cost of these benefits is approximately 0.4-0.5 percent of covered earnings.

Some Financial Effects of Extending Coverage

Thus far this analysis has dealt with a coverage of employees in and near Port-au-Prince, limited to those who are more or less regularly employed on a substantially full-time basis; and it has excluded domestic servants, agricultural employees, etc. It has dealt with what is probably the most favorable coverage from a financial, as well as from an administrative, viewpoint.

Extension to Lower-Paid Workers

The extension of coverage to lower-paid workers would result in a smaller contribution per capita from them than from the basic coverage. Their cash benefits (being measured by reference to their earnings levels) would be approximately in proportion to their contributions if they have normal frequencies and durations of incapacity, and if they have more or less continuous employment. If their earnings and contributions are low because of discontinuous employment or because of frequent or extended periods of unemployment, but if they still have enough covered employment to maintain their insurance rights, their cash benefits will have a disproportionately heavy cost. Their medical

benefits will also cost disproprotionately much (by comparison with their contributions) even if they need only a normal amount of medical services--because the per-capita cost of such services is no less for low-income than for higher income groups; and these benefits will cost much more if these additionally covered persons have higher-than-average illness rates or medical needs. Thus, from a financial point of view, extension of limited coverage to lower-income or irregularly employed workers should be undertaken cautiously.

Extension to Other Areas

Extension of coverage to other areas (beyond Port-au-Prince and its environs) would result in somewhat lower covered earnings and lower contributions per capita. Such data as are available (see chapter III) indicate sickness rates for the provincial towns not substantially different from those for coverage in Port-au-Prince. If medical costs are lower in the provincial towns than in Port-au-Prince, in approximately the same ratio as applies to earnings, 26/ contribution rates (percent of basic wage) adequate in Port-au-Prince may be expected to be adequate in other areas--especially because with lesser medical resources in the provincial towns there will probably also be lesser amounts of hospital and medical care per capita.

It is possible that lower per capita medical costs in the provincial towns might be offset by the extra cost of transporting occasional patients to Port-au-Prince for services not available to them locally, or by the extra cost of sending occasional visiting specialists from Port-au-Prince. These possibilities do not involve relatively large sums and they do not invalidate the general conclusions.

Thus, extension of coverage to the provincial towns appears not to present basic financial questions; it appears rather to be primarily concerned with administrative feasibility, availability of hospital and medical resources, etc.

26/ In private employment, the ratio of average earnings in Port-au-Prince to average earnings in the provincial towns is as 10 is to 7; for earnings covered by the insurance specifications in the October 1949 Law (coverage and contributions limited by ₲300/month), the ratio is as 10 is to 9.4 (see Appendix table 17); and with limits of ₲500/month on coverage and ₲300/month on contribution earnings, the ratio is 10:8.6. In public employment (according to the third survey, Appendix table 19), the ratio of average earnings in Port-au-Prince to average earnings elsewhere is as 10 is to 7; for earnings as in the Law, the ratio is 10:8.6; and with limits of ₲500/month on coverage and ₲300/month on contributions, the ratio is 10:8.

The Insurance Contribution Rates

The results of this financial analysis may now be summarized in terms of the contribution rates required to finance the insurance system.

1. The Social Insurance Law of October 1949 (and the tentative revised draft law) provide for contributions as follows:

	Contribution (% of covered earnings)		
	Employee	Employer	Total
Compulsory insurance of employees...	4	4	8
Voluntary insurance of employees with above-limit earnings.....	6	---	6
Voluntary insurance of employees' dependents.....	5	---	5

2. (a) For the limited Port-au-Prince coverage, using adjusted specifications, the cash benefits would cost about 1.3-1.7 percent of covered earnings. Plus a pro-rata share of administrative costs, they would cost about 1.5-2 percent of earnings.

(b) The medical benefits, for this limited coverage, would cost about $5.75-$6.70 per capita. With administrative costs added, the costs would be about $6.60-$7.70 per capita.

3. With the coverage specified in the Social Insurance Law of October 1949 (compulsory coverage of workers with earnings up to G300 per month, and contributions on amounts up to G300 per month), the average insurance-covered earnings would be about $373 per capita in the Port-au-Prince area. The costs cited in par. 2 would then be as follows:

	$/cap.	% of earnings
Cash benefits (+ admin.).....	5.60- 7.46	1.5-2.0
Medical benefits (+ admin.)....	6.60- 7.70	1.8-2.1
Total.....	12.20-15.16	3.3-4.1

Thus, with these specifications on coverage and contributions, the contribution rate would need to be about 3.5-4 percent for this limited system.

4. With the coverage specifications used in this financial analysis, and in the revised draft law, the compulsory insurance would cover workers having earnings up to G500 per month, and contributions would be payable on amounts up to G300 per month. The average covered earnings would be about

$413 per capita. The costs cited in par. 2 would then be as follows:

	$/cap.	% of earnings
Cash benefits (≠ admin.).....	6.20- 8.26	1.5-2.0
Medical benefits (≠ admin.).....	6.60- 7.70	1.6-1.9
Total.....	12.80-15.96	3.1-3.9

Accordingly, the contribution rate would need to be about 3-4 percent, and a rate of 4 1/2 or 5 percent would be ample or generous.

5. If compulsory coverage for the Port-au-Prince area is extended to all employees in covered employments, regardless of earnings, and if earnings up to G500 are made subject to contributions, the insurance income is increased about 42 percent above what it would be with the specifications in the Law. With such revised specifications, the average insurance-covered earnings become $528 per capita, and the costs become as follows:

	$/cap.	% of earnings
Cash benefits (≠ admin.).....	7.92-10.56	1.5-2.0
Medical benefits (≠ admin.).....	6.60- 7.70	1.3-1.5
Total.....	14.52-18.26	2.8-3.5

With these specifications, the contribution rate needs to be in the range 2.8-3.5 percent; 3.0 percent could be ample for the first few years, and 4 percent would be ample even in later years when medical personnel have been increased and medical facilities have become much more adequate. A 4-percent contribution rate would enable the insurance system to accumulate some reserve capital and to make investments in capital facilities useful to the insured.

6. With revisions in the specifications for the cash benefits, as cited on pages 81 to 82 , the cost of these benefits could be readily reduced by one-fourth to one-third. The total cost of all benefits would be reduced by about 0.4-0.5 percent of earnings. Thus, the costs would be as follows:

In par. 3....	2.9-3.6
" " 4....	2.7-3.4
" " 5....	2.4-3.0

With such adjustments in the insurance specifications, the contribution rates could be reduced accordingly.

7. All of these analyses are based upon fragmentary data and rely on assumptions which have many uncertainties. Also, lacking insurance experience, data, skilled personnel, etc., it is important that the financing start on a conservative basis. In addition, when finally selecting a contribution rate, a substantial margin of safety must be allowed because these calculations have been made on the basis of estimated average annual earnings which could prove to be somewhat too high for forecasting insurance income (See Note on page 70). It is clear, however, that an insurance system of limited coverage in the Port-au-Prince area, for employees only, could have specifications which would not need contributions at any rate higher than about 4 percent of insurance-covered earnings. This is one-half the rate (8 percent) specified in the Law of October 1949.

8. There is no valid basis at this time for a financial analysis applicable to voluntary insurance of either employees who are not compulsorily insured or of dependents of compulsorily insured employees. The analysis suggests, however, that the cost of compulsory coverage of dependents (for medical benefits only) can probably be estimated with reasonable reliability. With the conservative assumption of 2 eligible dependents per employee, the compulsory insurance of both employees and dependents would cost as follows:

With the specifications in par.	% of earnings 2/
3.....	6.9-8.3
4.....	6.3-7.7
5.....	5.4-6.5
6.....	5.0-6.0

Thus, depending on the earnings specifications for coverage and for contributions, and on the specifications for the cash benefits, the compulsory coverage of both employees and their dependents could be achieved for contributions at the rate of 8 1/2 percent or less--even for as low as 5 or 6 percent of insurance-covered earnings. And if further surveys should show that is unnecessary to assume as many as 2 dependents per compulsorily-insured employee, the contribution rate could be still lower.

9. The contribution rate cannot be safely estimated from available data with respect to the coverage of groups like domestic

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2/ In each case, the figure here is the cost of all benefits for the employee plus twice the per-capita cost of medical benefits.

servants, agricultural employees, family workers, etc. Further surveys and studies are needed.

10. Extension of coverage to the provincial towns and their environs can, apparently, be safely undertaken at the same contribution rates as are estimated for the Port-au-Prince area.

Equity in the Employee's Contribution

It is a common rule in social insurance that--insofar as practical--compulsorily insured employees as a class shall receive at least their money's worth in benefits as a return for their own contributions, and that this relationship shall apply to all income levels among the insured. In other words, the social insurance system should do at least as well for the insured persons as they could do for themselves with their own money.

This rule of equity should be tested for any set of specifications finally adopted. A single test will illustrate the method, taking what may be the most extreme practical example.

Let us assume that compulsory coverage applies to all employees in covered employments, without regard for earnings; and that earnings up to G$500 per month are subject to insurance contributions. The analysis presented earlier suggests that, with these specifications, the costs of the benefits would justify a contribution rate of 3, 3 1/2 or 4 percent. Let us assume the highest of these rates (4 percent), and assume further that the employee contributes one-half (2 percent). The maximum contribution he would make if he had earnings of G$500 or more per month throughout the year is 2 percent of $1,200 (G$6,000), or $24 a year.

Such an insured employee would receive wage-loss protection or benefits that would be proportional to the earnings on which he pays contributions. These benefits have been estimated to be worth 1.5-2.0 percent of his earnings.28/ If these benefits are worth as much as 2 percent, he already has the total value of his own contributions, without counting the value of the medical benefits. If the wage-loss benefits are worth only 1.5 percent, the medical benefits have to be worth only 0.5 percent to balance his account. In his case, 0.5 percent of earnings subject to contributions equals $6 a year. Since

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28/ Since the individual can have wage-loss protection only on an insurance basis, the cost used here includes the expense of insurance administration.

the estimates show that the medical benefits would be worth $5.75-$6.70 a year,29/ his account is balanced and he has an equitable return for his contributions.

The equity analysis would obviously be much more favorable if less than 4 percent total contribution were assumed in the illustration or if the employee paid less than one-half the 4 percent contribution rate. And obviously the "break-even" point is more secure for persons with earnings below the maximum earnings subject to contributions. The contributions paid by employers (or the Government, or both) balance the better-than-even return for employees with earnings below the maximum.

A similar analysis should be made periodically for an operating system; and the limit on earnings subject to contributions, and the contribution rate, should be subject to change when the value of the benefits justifies or requires.

Allocation of Costs

This financial analysis has been concerned with total costs and their relations to the earnings of the insured employees. It has not, thus far, dealt with the subdivision or allocation of contributions between employees and their employers, or between these two groups and the Government.

The Social Insurance Law of October 1949 specifies that the contributions of 8 percent of basic wages for the compulsory (sickness and maternity) insurance of employees shall be allocated equally between the employees and their employers (except that the entire 8 percent shall be a charge on the employers in respect to employees with a basic wage of less than G110 per month). It also specifies that there shall be a subsidy from the Government, in an amount to be determined at some future time.

Social insurance practice in other countries provides no single or sure guide for the allocation of costs or contributions in Haiti. Diverse practices have evolved and are followed elsewhere. However, it is quite common for the costs to be shared not only by employees and employers, but also by the Government. Three reasons are especially common and prominent in explaining and justifying Government contributions, and all three apply in Haiti: (1) A sickness and maternity insurance relieves the Government of costs it would otherwise incur, either for income assistance to incapacitated workers and their dependents, or

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29/ Here the cost of medical benefits is exclusive of the cost of administration.

for their medical care; (2) such an insurance system contributes to the general welfare and deserves general support and financial subvention from the Government; and (3) employer contributions according to payrolls and employee contributions according to earnings tend to be economically regressive, especially to the extent that the former are passed on to consumers in the cost of consumption goods and the latter are paid by low-income workers, and such contributions should be held to a minimum in a non-inflationary stage of an economy.

Haiti should therefore consider Government sharing of the costs of this insurance. If it follows the practice in many other countries, it will contribute annually at least an amount equal to the cost of administration, and in addition it will share the remaining cost with employees and employers. If the Government is prepared to contribute more than the cost of administration, it may assume responsibility for something like one-third the total cost, so that the contributions are equally divided among the three sources of revenue. Or, the Government may consider contributing annually an amount equal to the costs of the medical benefits and their administration.

Many other proportionate allocations of the costs may be considered. These few seem especially pertinent to the circumstances presented by the program for Haiti. Whatever the decision about Government subvention, there is great advantage to the insurance program in having a definite determination in advance, so that the insurance administration knows upon what financial resources it can count.

Source of Funds for Construction of Facilities

The focus of this analysis has been on the current costs of insurance benefits and administration; capital costs for the construction of needed facilities have not been considered.

Whether the insurance program is small or large, it must have administrative facilities. It may obtain these by cost-free provision from the Government, by rental, or by ownership through purchase or construction. Also, depending on the method used in providing hospital and other medical benefits, it may be concerned only with paying on a current-cost or reimbursement basis for hospital and medical services provided by or through another agency or agencies; or it may in greater or lesser measure have to provide for the construction of hospital and clinic facilities needed (and not available) for the provision of benefits to insured persons.

According to the Social Insurance Law of October 1949 (article 85), IDASH comes into possession of all resources formerly owned by the Social Insurance Fund created by the decree-law of May 17, 1943. These

as reported consist of $50,000 in Government bonds and about $100,000 in other property. Obviously, IDASH could not undertake the construction of major administrative, hospital or clinic buildings with these limited resources. Moreover, these funds should be carefully husbanded as a reserve against the uncertainties of income and costs in the first years of social insurance operation.

According to the Law of October 1949, IDASH may direct that the payment of contributions shall begin 6 months before benefits become available. If it does so direct, it can collect a reserve equal to one-half of a year's income--somewhat more than one-half of the estimated annual cost of operations. This also would be a relatively small reserve, and it should be conserved as a cash reserve against the uncertain finances of the first years rather than be invested in construction of facilities.

If it has to meet capital costs, IDASH should at the outset turn to other sources. Needed capital funds might be a gift from the Government--a subsidy toward implementing a program which promises to make a substantial contribution to the general welfare. Or such funds might be obtained by borrowing, with the future resources of IDASH serving as the security behind the loans and--if feasible--with the Government itself guaranteeing the loans. Or part of the capital need might be met by gift from the Government, and part by Government guaranteed loan negotiated by IDASH. Such guarantees from the Government would be consistent with the practice in many countries in which the Government guarantees all the obligations of the social insurance program by underwriting both the finances of the benefits and the security of the principal and interest of invested insurance reserves and capital loans.

Total Coverage and Finances

It has presumably been made amply clear that the sickness and maternity insurance should be developed in stages, over a period of years. At this time, it is impossible to make any reliable estimate of the eventual coverage and finances.

The limited coverage which the insurance might have at first in Port-au-Prince has been estimated at about 15,000 employees. And this number might be supplemented by 15,000-30,000 dependents if or when coverage and benefits are extended to them. With a contribution rate of about 4 percent, employee coverage would involve insurance operations of about $265,000 a year. With dependent as well as employee coverage, the total may be in the range $400,000-$530,000 a year.

Further extension of coverage in the Port-au-Prince area to employed groups not included above may double the coverage and increase the dollar amounts by one-half or more again. Thus, the total in the capital area may come to have a coverage of 60,000-90,000 persons (employees and dependents) and to involve $600,000-$1,000,000 a year.

No reliable data are available to estimate the results of corresponding extensions of coverage throughout Haiti. At a rough guess, the coverage may become 5-10 times that of the Port-au-Prince area (300,000 to 900,000 persons). The dollar amounts involved would presumably be somewhat less than proportional. The over-all magnitude could then be operations involving as a minimum about $2.5 millions and as a maximum about $10 millions a year.

Reservation

This section must end on a cautionary note. Although emphasized repeatedly, it needs again to be said that this financial analysis is based upon fragmentary and inadequate information and data. The results are not to be regarded as wholly reliable. Factors of safety have been used at many points, and it is possible that the costs are over-estimated. Nevertheless, further protection of financial balance may be necessary. IDASH might be authorized to make reasonable changes, with the approval of appropriate reviewing officers of the Government, in contribution and benefit rates within prescribed limits of time and amount and on the basis of cumulating actual experience. Also, the uncertain finances of the insurance system, in the initial years, might be protected by Government guarantee.

CHAPTER VI

Work Accident Insurance

Introductory Note

Haitian law provides various protections for the employee, and places various obligations and liabilities upon the employer. The following deserve special mention here, even though some of them have collateral rather than direct bearing on work accident insurance--

1. The minimum age for employment is 12 years (Law of July 25, 1947, art. 3). Minors between 12 and 18 years of age must obtain an employment certificate (permis d'emploi) from the Bureau of Labor before being employed. An employer who hires such a minor without the required certificate is subject to a fine of ₡10 to ₡100 ($2 to $20) for each offense.

2. The minimum wage for all employed persons, except domestic servants, is ₡3.50 ($0.70) per day.

3. The maximum work week is 6 days; and the maximum regular work day is 8 hours. Employers and employees may agree upon the length of the work day up to a maximum of 10 hours, but the regular work week may not require more than 48 hours per week. There is no limit on overtime; but the rate of pay for overtime, including Sundays, may not be less than 150 percent of the rate for regular work time.

4. According to the Civil Code (arts. 1168, 1169) every person who by his fault causes damage to another is obligated to make reparation--whether the damage results from imprudence or negligence or from an overt act. Determination of reparation, damages, etc., is left to the discretion of the court, having regard for circumstances, fault, negligence, etc. The broad obligations of employer's liability arise under these provisions of the Civil Code.

5. There is no provision in the labor laws (except in the Social Insurance Law of October 1949) requiring the reporting of accidents. Various employers on occasion voluntarily make such reports to the Bureau of Labor.

6. Every employer having 100 or more workers in his establishment is required (Law of August 10, 1934, art. 19) to provide and maintain a dispensary, protect the health of his employees, and furnish necessary care in accidents.

7. In case of sickness, an employee is entitled (Law of May 5, 1948, arts. 10, 11) to 15 days of paid sick leave or paid maternity leave in a year, after one year of employment with the employer. A physician's certification of incapacity may be required by the employer.

Thus, with respect to work accidents and injuries, employers have broad legal obligations and liabilities for the consequences of work accidents and injuries. It is well-known, however, that in actual practice these obligations and liabilities are unevenly observed. Indeed, there are apparently reliable reports that many employers honor them as much in the breach as in the observance.

It is reported that many employers with relatively small establishments pay lower wages than the larger employers, are not as effectively supervised by the Department of Labor, do not so frequently or regularly provide medical care to or for injured workmen, and do not so systematically pay wages during periods of sickness or work-connected disablement. Many employers, large and small, are said to follow the practice of dismissing employees who become sick and of replacing them with others--a practice which is rather easily followed because of the large numbers available for employment.

Contrariwise, many employers meet--and some more than meet--their required obligations, paying full wages during short periods of incapacity and from one-half to full wages during long periods, and making substantial settlements in cases of permanent (total or partial) disablement or of death.

Some employers tell shocking accounts of the evils of settlements through lawyers in work-injury cases, especially with reference to how large a share of the settlement money fails to reach the injured worker. Employers quite generally indicated they would be glad to have an orderly system of compensation, with concomitant relief from employer liability, disputes and actual or threatened law suits.

Various observations and reports indicate that most employers carry their own risk for their liabilities in case of work-connected accident and injury, and do not rely on insurance--except as they are self-insurers. This appears to be quite generally the case for employers operating small, medium and large establishments. In the Port-au-Prince area, a canvass of 30 medium and large employers found only 4 with formal insurance or employee-benefit provision (3 with commercial insurance contracts and 1 with an employer-administered disability plan) to meet work-accident and injury liability.

A review of the existing situation endorses the Government's intention to establish a comprehensive and orderly system of compensation for work accidents and injuries. The outlook for increasing industrialization and agricultural employment in Haiti reinforces the wisdom of this conclusion. The problems focus on ways and means.

Major Specifications for Work Accident Insurance

As indicated in chapter I, the Social Insurance Law of October 1949 proposes to establish a system of workmen's compensation. With

certain stated exceptions, it would apply to all public employment and to employers in industry, commerce, private teaching, domestic service and agriculture; and it would cover all employees in establishments to which the law applies, regardless of the amount of the employee's individual earnings and whether he is a manual or a non-manual worker. It would require employers to report all accidents involving incapacitation of one day or more. It would obligate IDASH to provide or pay various benefits--

(1) Comprehensive medical benefits until recovery;

(2) Cash (wage loss) benefits--

(a) Temporary disability: from the fourth day of incapacity, at the rate of 50 percent of basic wage plus 10 percent for each dependent, up to a family maximum of 70 percent;

(b) Permanent total disability: pension at the rate of 2/3 of basic wage for the duration of the disability;

(c) Permanent partial disability: pension in proportion to the degree of disability, with lump-sum settlement in cases of less than 25 percent disability;

(d) Death benefit: (1) Lump-sum equal to one-month's basic wage; (2) pension for the widow at the rate of 50 percent of the permanent total disability pension (at the rate of 30 percent to the non-legitimate spouse), and pension for each child at the rate of 20 percent of disability pension, with a family maximum equivalent to 80 percent of disability pension.

For this system of benefits, the law requires an initial contribution at the rate of 1 percent of basic wage, with authority that the rate may be modified upward and downward by IDASH on the basis of experience. The contribution is to be paid wholly by the employer.

The provisions of the Law were reviewed in detail with officers of the Government. Various amendments were considered, including: more precise description of coverage; inauguration of the system in stages; revision of benefits with regard for adequacy and for simplification of administration; and clarification of employer obligations and relief from employer liability.

Special Problems of Administration

The inauguration and operation of workmen's compensation presents many difficulties in Haiti. Some of these were mentioned (chapter II). As in the case of sickness and maternity insurance, the greatest difficulties result from lack of experience in social insurance administration and of trained administrative personnel, unfamiliarity of the public with social insurance, and inadequacy of resources for provision of medical benefits.

In this connection, it has been pointed out that application of the insurance will be difficult in the case of medium and small establishments--particularly agricultural establishments--in remote places. The difficulties will be multiplied, it is said, with respect to the seasonal and casual employees of large or small agricultural establishments because of the very high rate of turnover, absence of an adequate system of identifying individual workers, and the common practice of sub-contracting so that the employer has no direct relation with many of the farm employees. These anticipated difficulties have led to proposals that the insurance should not be extended to agricultural employments until after it has become well established for commerce and industry and administrative experience has been accumulated. It has also been proposed that agricultural coverage should be limited to the regular (office, factory and farm) employees and should exempt the irregularly employed farm labor. But this, it is recognized even by those who suggest it, would exclude workers who very badly need the insurance protection. It is not a preferred solution.

Development in Stages

As in the case of sickness and maternity insurance, there would be many advantages in developing workmen's compensation in stages. For example, as a first step it might advantageously be initiated in Port-au-Prince and its environs, involving the establishment of only a central administrative office, a small staff, a localized educational program for employers and employees, and a system for provision of medical benefits in an area where the hospital and medical resources (however generally deficient) are nevertheless the most extensive in Haiti. Then, after a suitable period of actual experience with administration, the coverage might be extended to other areas, with local administrative offices organized through the use of personnel trained in Port-au-Prince. On this pattern, initial coverage might apply to commerce and industry--whether or not it also applies to domestic service; agricultural coverage might be undertaken at a later stage.

Development of the insurance in successive, delimited, geographical areas would result in non-uniform treatment of employers in a particular field of enterprise, according to their location, in the period between inauguration of the system and its national application. It is supposed that this is not a serious objection against geographical gradualism because workmen's compensation replaces and supersedes employer liability; and the employer in one area who is not covered by the insurance carries the cost of employer liability, while a comparable employer who is covered carries the cost of the insurance. Nevertheless, such differences should obviously be eliminated as rapidly as possible. In other words, the inauguration of the insurance should be preceded by as much preparation as possible for its application throughout the country; and its inception in a first area (e.g., Port-au-Prince) should be followed as rapidly as possible by its establishment in other areas and throughout the country.

The availability of resources for the medical benefits, and the rapidity with which arrangements can be made to ensure the availability of these benefits to injured employees, will in large measure determine the rate at which the insurance can be undertaken. If IDASH should decide that these benefits are to be furnished by the Department of Public Health--through its hospitals, clinics and staffs, according to contract between the Department and IDASH, this may properly influence the plan for the geographical extension of the insurance. The public hospital and clinic system, maintained by the Department of Public Health, operates through a series of hospital districts, with a general hospital as the basis for the facilities and resources in each. The insurance system may derive many advantages from being implemented successively in areas which coincide with these districts.

Limited Coverage in Port-au-Prince

It is estimated that if an initial coverage were restricted to the Port-au-Prince area and applied only to public employment and to commerce and industry, it might include about 16,000 persons on an annual basis--perhaps 20,000 or more different persons in the course of a year. The average earnings per employee covered (at 1949-50 levels) would be about $710 a year for public employees, about $450 a year for private employees, and about $550 a year for both.1/ Thus, this limited insurance operation in this area would cover total payrolls amounting to about $8,800,000 a year. If the insurance premium is initially 1-2 percent of covered payroll, the insurance operations would involve about $88,000-$176,000 a year. This is a very small sum to

1/ These average annual earnings per covered employee are higher than the corresponding figures for sickness and maternity insurance because there would be no "ceiling" on earnings covered by workmen's compensation. See table 24 and Appendix tables 17, 18 and 19.

permit or support an efficient administrative organization of the kind that would be involved. It would demand efficient administration to make the operation possible, while keeping initial administrative costs within such a range as 10-20 percent of total disbursements.

If the initial coverage includes domestic servants, the employee figures cited in the preceding paragraph would presumably be increased by about 30-50 percent for coverage and about 20-35 percent for insurance contributions.

If the limited coverage is initially applied to the Port-au-Prince hospital district, the coverage would probably be increased by another 30 percent, and the contribution income would be increased somewhat less than proportionally.

Extension of the coverage throughout Haiti may be expected to increase these figures 5-10 fold, and to permit reduction in the percentage of total disbursements used for administration.

If such an initial system is too small for efficient or effective operation within its current financial resources, lack of necessary administrative funds should not be permitted to stand in the way of the undertaking. A substantial part of the administrative cost to be incurred for the initial organizing and operating experience should be regarded as a developmental cost for the whole national system of workmen's compensation. Such a developmental cost may properly be met by the Government out of general revenues, may be financed by IDASH out of its initial reserves, may be incurred as a debt to be amortized out of future income, or may be distributed among several such sources of funds.

The Contribution Rate

There is no adequate body of information on which to base an altogether reliable estimate of the contribution rate needed for work-accident insurance, or an altogether reliable evaluation of the rate specified in the Law. Analysis must depend on fragmentary data available in Haiti, and on information derived from experience in other countries which have workmen's compensation more or less similar to that proposed by the Haitian Law.

In general, it is expected that, for similar benefits, the cost of work-injury benefits (per employee or per $100 of covered payroll), and the contribution rate, would be lower than in most other countries.2/ The reason for this is that, in general, there are few industries in Haiti that are even moderately hazardous, and fewer if any that are

2/ Social Security Throughout the World, Bureau Report No. 16, Division of Research and Statistics, Social Security Administration, Washington, 1949.

very hazardous--in the sense in which these terms are used in more highly industrialized countries. There is little or no employment in Haiti which, with respect to frequency or severity of work injuries, would be classified with such highly hazardous industries as sub-surface mining, dusty quarrying, high-building construction, tunnel digging, etc., common in the U.S.A. and other countries.

The farming and factory work of large agricultural establishments (sugar, sisal, etc.) probably represents the most hazardous employment of substantial size in Haiti. A number of such establishments were visited--to observe them in operation, to learn about their employment arrangements and provisions for the care of injured workers, and to get some impression of their work-injury risk-rates and costs. Some of them are apparently incurring costs, for compensation and care of injured employees, in the range 1-1.5 percent of payroll (see Appendix B). The compensation payments and medical benefits are reasonably similar to those proposed for work accident insurance--though more generous in some respects and less in others.

As against relatively hazardous agricultural employment, work injuries are apparently much less frequent and expensive in most industrial establishments or public employments, and still less frequent or costly in commercial establishments (business offices, wholesale and retail trade, etc.).

So far as has been ascertained, the few large industrial employers in Haiti who insure their work-accident risk through an independent (commercial) insurance carrier pay premiums of 0.75-1.25 percent of payroll or less, depending on the company, establishment, etc. Other medium and large businesses, with lower risk rates, generally operate as self-insurers. A total cost as low as 0.4 percent of payroll is reported by a large industrial establishment which sustains a good reputation for meeting its obligations with respect to work injuries.

It is recognized that costs below 1.25 or 1 percent of payroll being incurred in some establishments do not necessarily reflect what the costs should or might be; they reflect a mixture of this and of current failures to pay adequate compensation, and of neglect in providing such care as would represent a proper discharge of the employer's liability.

The benefit specifications in the Law of October 1949 are comprehensive, and in some respects relatively generous. The system would have to be inaugurated with much uncertainty about the cost, because no adequate experience data are available to provide a reliable guide. It would therefore be advisable to make the benefit

specifications as conservative as social adequacy permits, and to allow for administrative adjustments--on the basis of experience--both in certain benefits and in contribution rates.

Having regard for existing conditions and practices, and for the lack of accurate, comprehensive or adequate data, it would appear that if workmen's compensation is undertaken it might consider using financial specifications like the following--

(a) Require initial uniform contributions from covered employers at the rate of 1 percent of total payrolls, and begin collecting such contributions for an advance period of perhaps 6 months before benefit obligations become effective;

(b) Authorize that retroactive changes in this contribution rate may be imposed for the first benefit year, or for the first two (or possibly three) benefit years, but only on the basis of necessity dictated by actual accumulating experience under operating conditions. Such retroactive changes by administrative decisions might be permitted to increase this rate to a maximum of (say) 2 percent;

(c) Authorize that the rate for subsequent years may be uniformly at a higher or lower rate as experience indicates is necessary; or that the applicable rate may be graduated for all employers and/or separate establishments on the basis of actual risk and benefit experience.

Graduation of the Contribution Rate

The alternative use of uniform or graduated contribution rates deserves some further discussion.

In some countries, insurance against work accidents and injuries (workmen's compensation) uses an average premium rate and applies it uniformly to all covered employers; in other countries, the rate is adjusted for each major industry according to insurance experience.

Where adjusted premiums are used, an industry which has a high accident rate, or one in which serious and costly injuries are relatively frequent, is assigned a higher-than-average premium rate. Correspondingly, an industry with relatively low benefit costs is given a less-than-average premium. Such "manual" rates are revised periodically in light of actual experience.

In addition, it is not uncommon to have individual employer "merit rating"; the premium rate for each employer in an industry is adjusted according as his experience is more favorable than that of the industry as a whole, or is less favorable.

In some countries, manual rating is without arbitrary limit on the size of the premium rate. With an average rate of (say) 1, 2 or 3 percent of payroll, the manual rate for an employer with very low frequency or severity of injuries--at the one extreme--may be only a small fraction of 1 percent (e.g., 1/10 or 1/20 of 1 percent for office workers only); at the other extreme, the rate for a highly hazardous industry (like quarrying, blasting, underground mining, etc.) may be 10, 20 or more percent of payroll. In other countries, the industry rating is bounded by fixed percentages of payroll or by fixed percentages above or below the average rate for all industries. Where individual employer merit rating is also used, it is usually kept within fixed limits, e.g., 20, 25, 33 1/3 or 50 percent above or below the rating for the industry.

The main purposes of such experience rating are, first, to place the cost of the insurance where the costs are incurred (i.e., to make the cost of work injuries a cost of doing business); and, second, to provide a financial stimulus for the promotion of safety programs and the prevention of accidents. In greater or lesser measure, these rating procedures achieve both purposes. But they also, in some measure, tend to defeat the general social purposes of the insurance, especially where they may place a prohibitive cost on an essential industry or severely affect the costs of products essential to the economy. A moderation of experience rating is therefore often practiced (as noted above) by arbitrary limits on the range of the premium rates, or by Government assumption of the cost of administration and/or of part of the total cost of benefits. Also, in some countries the premiums for workmen's compensation are pooled with the premiums for other social insurances, so that the total costs are uniform percentages of payroll in all industries covered by the insurance system.

With highly variant practices throughout the world, there is no single or sure guide for workmen's compensation in Haiti. It may adopt a uniform rate for all industries and all employers; it may decide upon fully graduated premiums according to risk; or it may adopt a compromise between these extremes.

If Haiti establishes workmen's compensation, it would start with little substantial experience in this field. It should therefore inaugurate its program with a plan which is adapted to its own circumstances and needs.

As suggested above, it would probably be wise for Haiti to start with an initially uniform premium rate for a first contribution period, with provision for subsequent adjustment of this rate by retroactive assessments on the basis of experience. And this process might be repeated for a second or third year. If total costs in a year are found to exceed the income from such an initial rate (with allowance for benefit obligations incurred for payment in future years), these assessments might be on a uniform basis, or they might be graduated according to risk. Uniform rates for such a period would be unquestionably simpler to determine and assess; graduated rates would have only meager basis in experience. But being retroactive--and, in such an initial period, being without full fore-warning to the employers, such assessments might properly be limited in range. For example, the retroactive assessments might be limited to (say) a maximum of 100 percent of the initial rate (uniform or average). Such a practice, or an adaptation of it, might be followed for the first years. Then, when experience indicates a better course, premium rate-making and rates might be fixed on a more permanent basis.

Exemption of Small Establishments

It is not uncommon for workmen's compensation (or other social insurance) to exempt from coverage small employment establishments for reasons of administrative convenience and economy, and because of difficulties in effecting compliance with the law from such establishments. Observation in Haiti does not suggest the need for this, except perhaps in the case of agricultural establishments--to exempt (say) those with fewer than some such number as 5, 4 or 3 employees at any time.

Self-Insurance and Contracting-Out

Many workmen's compensation systems permit employers, especially those with a substantial number of employees, to operate as self-insurers or to insure their risk with an independent insurance carrier; and some systems use these methods in competition with a state insurance fund, or use them exclusively. In actual practice, both self-insurance and contracting-out generally operate for the better-than-average risks; and where practiced in parallel with a state fund (which has to insure any covered employer who applies), they inevitably operate to leave the state fund with the poorer risks. Such adverse selection against the state fund could be very serious--or even disastrous--for such a small system as might be established in Haiti. And both self-insurance and contracting-out could make the residual coverage too small for practical operation. Some employers proposed that these practices be permitted, but did not urge them when the objections were cited; other employers neither proposed nor advocated them.

CHAPTER VII

Medical Benefits in Port-au-Prince

Previous discussions have indicated that the social insurance program might start with limited coverage in the Port-au-Prince area. What would be the magnitude of the obligations for medical benefits--whether the services are provided by IDASH itself, through the Department of Public Health, or otherwise?

The following estimates are based on the coverage figures and the earnings levels of 1949-50.

Coverage

The estimates recapitulated here apply only to the limited coverage in Port-au-Prince, previously used (chapters V and VI) as a first benchmark for analyses of coverage, benefits and costs--

Private employees	10,000
Public employees	6,000
Total employees	16,000
Number to be entitled to workmen's compensation benefits	16,000 1/
Number qualifying for sickness and maternity insurance medical benefits:	
Employees	15,000
Dependents	15,000-30,000 2/
Total	30,000-45,000

1/ This figure is, more precisely, the number with sufficient employment to be counted on an annual basis. In this sense, it is in effect an estimate of the number of jobs rather than the number of persons covered for workmen's compensation. Since work accident insurance protection would have no eligibility conditions other than employment, and no earnings limits, there may be many more persons than jobs covered in the course of a year, perhaps as many as 20,000 persons.

2/ Assumes 1-2 eligible dependents per qualifying employee. Fragmentary data suggest that the factor is probably closer to 1 than 2, but a wide range is used until more reliable information becomes available.

Expected Costs (Expenditures) for Medical Benefits

For this coverage in the Port-au-Prince area, the expected annual costs (expenditures) for the medical benefits (at 1949-50 dollar levels) are as follows--

For workmen's compensation.....	$44,000 - $88,000 1/
For sickness and maternity insurance 2/	
For employees only.....	95,000 3/
For dependents only.....	95,000 - 190,000 4/
Total.....	190,000 - 285,000

1/ Assumes medical benefits for workmen's compensation will cost 0.5-1.0 percent of total annual earnings covered by this insurance system, based on limited data available from various experiences. (See chapter VI.)

2/ Estimated on the assumption that coverage includes only employees with earnings up to ₡500 per month and that only earnings up to ₡300 per month are subject to the insurance contribution rates. This is an intermediate assumption. According to the Social Insurance Law of October 1949, compulsory insurance would apply to those who earn not more than ₡300 per month, and earnings up to this amount would be subject to contributions. On this specification, average annual covered earnings would be only about 90 percent of the estimate used above. If, on the other hand, there were no income limit on coverage, and contributions were payable on earnings up to ₡500 per month, average covered earnings would be about 128 percent of the estimate used above. (See chapter V.) If the lower specifications are finally adopted, medical benefits might have to be reduced; if the higher, they could be expanded as personnel and facilities become available.

3/ Assumes cost for employees (only) will equal about 1.5 percent of covered annual earnings, based on analysis and estimates by types of service. The amount shown here excludes a contingent item (5 percent) reserved in the insurance fund. (See chapter V.)

4/ Assumes same per capita cost (for medical benefits) as for employees, and allows for 1-2 dependents per employee.

The magnitude of these figures may be seen by a comparison with the total annual budget of the General Hospital in Port-au-Prince--which was about $250,000 for the year to which the above estimates apply.

By comparison, workmen's compensation medical benefits (hospital, physicians, etc.) would involve an amount of service equal in cost to about 20-40 percent of the total cost of services furnished by the General Hospital.

Similarly, sickness and maternity insurance in Port-au-Prince would involve medical benefits (in-patient and out-patient) involving about $100,000-$300,000 a year, equal to about 40-120 percent of the total cost of services provided in the last year by the General Hospital, the range depending on the inclusion or exclusion of the dependents of insured employees.

Both insurances together would involve costs equivalent to about 55-150 percent of the total cost of operating the General Hospital without insurance.

The wide range in these estimates reflects the uncertainties in the amount of services that will have to be provided as insurance benefits, and in their costs, and--more importantly--whether the coverage of the sickness and maternity insurance is restricted to employees or extends to their dependents as well.

Estimates by Services

Workmen's Compensation

There are no data available at this time on which to base a reliable subdivision of the workmen's compensation cost estimates by type of service to be furnished. It may be assumed that one-third to one-half of the money will have to be used for in-patient services, and the remainder for clinic, office and home care. Most of it will presumably be spent for surgical care. These assumptions suggest the need for about 20-30 beds and attendant in-patient services if experience will show that the lower total cost ($44,000 a year) is sufficient; and the need for about 40-60 beds and attendant services if the higher total cost ($88,000 a year) has to be incurred.

Under the lower total-cost assumptions, there would be about $22,000-$30,000 a year for clinic, office and home care--requiring the time of about 4.5-6 full-time physicians (at the annual salary rate of $3,000), facilities, supplies, prescribed medicines, appliances, laboratory services, etc. (The proportionate distributions used here are the same as in chapter V).

If the amount of care needed is higher (total cost of $88,000 a year), there would be needed--in addition to the in-patient services--about 9-12 full-time physicians, plus facilities, supplies, laboratory services, etc. required for their clinics and offices, and the prescribed medicines and appliances.

Sickness and Maternity Insurance

The breakdown of the annual cost estimates for medical benefits under sickness and maternity insurance, developed in chapter V, may be

summarized as follows--

In-patient services	Beds 1/
For employees only...	45.5
For dependents only..	45.5-91.0
For both.....	91.0-136.5
Clinic and home care	**Full-time physicians 2/**
For employees only...	6
For dependents only..	6-12
For both.....	12-18
Dentistry	**Full-time dentists 2/**
For employees only...	2
For dependents only..	2-4
For both.....	4-6

1/ As before, "beds" refers to bed and board, attending services, etc.
2/ Physicians or dentists plus attendant services, supplies, facilities, etc.

In addition, the cost estimates include provision of $3,000-$9,000 a year for nursing services, especially "visiting" or "hourly" nursing (this is additional to nursing services in the hospital and clinic); and $7,500-$22,500 a year for prescribed drugs and medicines.

Summary of Facilities and Personnel

The tentative estimates may be summarized as follows--

	Workmen's compensation	Sickness and maternity insurance 1/	Both insurances
Beds (and attendant services)	25-50	46-137	71-187
Physicians (full-time). . .			
For in-patient services.....	2-3	3-8	5-11
For clinic and home services	6	6-18	12-24
For both.....	8-9	9-26	17-35
Dentists (full-time).....	1-2	2-6	3-8
Nurses (hospital, clinic, home)	18-21	21-60	39-81

1/ The lower figures in this column apply to a coverage of employees; the higher figures apply to both employees and their dependents.

Supplemented by the personnel that would be needed for supporting services (laboratory personnel, pharmacists, administrative personnel, aids, etc.) these figures may serve to give an approximate picture of the facility and personnel needs. Almost needless to say, these are only very crude estimates. They are subject to the many uncertainties which surround the assumptions that were used. With changes in the proportionate allocation of funds among the services, these estimates would have to be changed correspondingly.

The staffing of hospital and clinic used here is lower (per bed or per patient) than is customary in the United States of America and in some other countries, but it is at much higher ratios than are now found in the public hospitals of Haiti.

Owing to the approximate nature of these estimates, no attempt is made to refine or adjust them by reductions for services already being furnished to the persons who would become insured. It is estimated that such reduction would be relatively small--probably not as much as 10 percent.

Estimates of Capital Costs

From the summary figures, however crude, it is possible to estimate the capital investment which may be involved if the facilities needed for these services have to be constructed.

On the basis of available information, it appears that the needed facilities would cost about $4,000-$5,000 per bed to build and to furnish with the necessary durable equipment. These figures should not be misunderstood. As is common when referring to hospital costs, the basic cost is here expressed in terms of "dollars per bed"; but it includes not only the wards and private or semi-private rooms, but also the supporting facilities--operating and dressing rooms, service facilities, laboratories, out-patient clinics, etc. And a basic cost figure of this kind is for <u>permanent</u> construction, efficiently performed.

If the construction is for the lower estimates of the needed facilities (i.e., 25-50 beds for workmen's compensation only), the higher dollars-per-bed figure ($5,000) would apply; if for the largest estimate (i.e., about 187 beds) the lower dollars-per-bed figure ($4,000) would apply. If the facilities involved here were merely part of a much larger permanent hospital unit (e.g., a 500-600 bed general hospital), the cost estimate might be placed at about $3,500 per bed.

The unit cost figures (dollars-per-bed) may be applied to the various estimates of facilities needed to provide the medical benefits. If, at the one extreme, the program is limited to workmen's compensation,

the needed facilities (25-50 beds, plus clinics) may involve about $125,000-$250,000 for comprehensive and permanent construction and equipment. If, at the other extreme, the program includes both workmen's compensation and sickness-maternity insurance, with the latter covering dependents as well as employees, the needed facilities (70-190 beds, plus clinics) may involve about $315,000-$760,000 for such construction and equipment. Further studies could narrow these ranges;1/ and they would be automatically narrowed by policy decisions on insurance coverage.

It should be emphasized that these figures apply only to the limited insurance coverages that were specified at the outset. If the coverage is different, or if allowance is to be made for expansion of coverage beyond that of the initial administrative undertaking, the figures should be adjusted.

It should also be emphasized that these figures for total capital costs may be somewhat unduly and unnecessarily high because of the way in which they were calculated. They derive from the estimates of beds and personnel needed to meet IDASH obligations to provide medical benefits. And those estimates, as pointed out earlier, were derived from cost estimates which were deliberately generous in order not to under-estimate the total cost of insurance benefits or the needed contribution rate. The figures for permanent capital construction and equipment of hospital and clinic facilities could therefore be safely deflated by (say) 25 percent, if necessary. Or, if used as they are, they could be considered sufficient to provide the facilities needed for the initial limited program and still leave a substantial margin for uncertainty in the estimates and for about 25 percent expansion of coverage.

These construction costs apply to fully equipped and permanent facilities. Consider an alternative. Suppose IDASH were to start with only a limited program in the Port-au-Prince area, while a new general hospital were being planned or constructed to meet the needs of IDASH as well as of the general public program. IDASH beneficiaries would need only temporary facilities in the interim--better facilities than are now available but not necessarily as good or as expensive to construct and equip as a permanent hospital and clinic structure. To meet such a temporary need, adequate for up to 5-10 years' service, a 50-bed unit with in-patient and clinic facilities and equipment would cost about

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1/ For example, the range for sickness and maternity insurance would be very much narrowed if a more precise estimate could be made of dependents per employee in place of the broad range used here.

$75,000-$100,000 (about $1,500-$2,000 per bed).2/ If such a unit could be prepared by alteration of an existing building, the cost would be less.

Depending on whether the capital funds are obtained as a contribution from the Government, or have to be derived from IDASH's own reserves or from loans, the charge on the operating costs will be at one rate or another. If the capital cost has to be repaid, interest payments and amortization of principal should be a concurrent charge on the operating budget. The current cost estimates used earlier included some margins against this contingency.

2/ This estimate is based on the cost of constructing and equipping the Hospital Isaie Jeanty. The basic cost was about $700 per bed, including planning, supervision, construction and equipment. It is increased here by 20 percent to allow for the higher cost of beds mainly in semi-private units. This adjusted figure ($840 per bed) is increased by 40 percent to allow for out-patient facilities ($1,176 per bed), and this in turn by 25 percent to take account of the higher unit cost of a 50-bed unit ($1,470 per bed). To allow for higher current cost of construction and equipment, and for contingent items, the adjusted cost is increased by another 20 percent ($1,760 per bed).

CHAPTER VIII

The Provision of the Medical Benefits

Introductory Note

It is fundamental for both sickness and maternity insurance and for work accident insurance that there shall be reasonably adequate resources (physicians, hospital beds, clinic facilities, etc.) for the provision of the medical benefits to the insured persons. But having the resources, though obviously the first essential, is not enough. There must also be effective arrangements between the insurance system and these resources to assure ready availability of the services as needed by the insured persons. These arrangements must include paying for the services through methods that are administratively efficient both to the insurance system and to the facilities and personnel that furnish the services. Moreover, the payments must be within the means of the insurance system, and yet sufficient to support the services and to encourage high quality of care.

The survey of present resources for medical and hospital care shows that Haiti is deplorably weak in these necessities. The total resources are insufficient in amount, inadequate in quality of service, and too unevenly distributed throughout the country to meet the needs of the proposed insurance systems. In Port-au-Prince, where there is a heavy concentration of the available resources, the hospital beds are already being used at the maximum rate for efficient utilization--and even above that level. In the provincial towns, the utilization of the hospitals is more uneven, though in general it is substantially maximal. Physicians, on the contrary, are by no means fully utilized. Though need for medical services is vast throughout Haiti, effective demand for the services of physicians is limited--even by comparison with the low ratio of physicians to population.

There are many reasons for failure to use to their full capacity the meager medical resources that are available. Lack of education on the use of these resources is undoubtedly one of the most important reasons. All evidence indicates, however, that lack of ability to pay for needed care is at least equally important.

In addition, professional factionalisms and so-called "political" factors gravely interfere with the effective use of Haiti's limited hospital, clinic and personnel resources for the full benefit of the nation's health. Coupled with inadequate financial support of medical practitioners and facilities, these interferences have encouraged some physicians and other trained personnel--who should be here serving the Haitian population--to settle and practice in other countries; and many

who are in Haiti have temporarily or permanently left their professions to engage in other occupations.

Public and Private Medical Resources

It may be useful at this point to review and summarize the resources for personal medical services. They may be considered as being in two parts. There is first, and in the main, the system of public hospitals, with salaried staffs and with clinics or out-patient services in and related to them. This system is an integral part of the Department of Public Health and is administered by its officers. Second, there is a system--if it can be called that--of private practitioners.

The public system consists basically of: (a) The hospitals in Port-au-Prince--the General Hospital with somewhat more than 500 beds, the maternity hospital (Hospital Isaie Jeanty) with about 100 beds, and the tuberculosis sanatorium with about 100 beds; and (b) 10 general public hospitals located in the main provincial towns, with from 40 to 265 beds each. In the aggregate, the public hospitals have 1,676 beds throughout the country. In addition, there are about 140 dispensaries, operating as out-patient clinics of the hospitals and as rural dispensaries. They are of very uneven quality and value. Each hospital has a salaried staff of physicians, nurses, nursing-aids, etc. The public hospitals and clinics employ in the aggregate about 125 physicians, about 50 percent or more of the total actually in Haiti and engaged in the practice of medicine.

The private system of medical services consists mainly of about 117 medical and about 66 dental practitioners working in and from their own offices or "clinics." Of the 117 physicians who are counted as private medical practitioners, because they are not in the public employ, it is reported that only about 50-75 are actually in Haiti and available for general or special service to the population. In addition, however, practically all of the physicians who hold salaried staff appointments in the public hospitals must also be counted as private practitioners because nearly all of them supplement their public salary by engaging in private practice to such extent as they can.

Private resources include in addition about 77 beds in two small private hospitals and in about half a dozen offices or "clinics" maintained by private practitioners.

Obviously, the existing public hospital and clinic system is Haiti's main resource for personal medical services. It includes nearly all of the hospitals and practically all of the hospital beds, a large proportion of all the physicians, a portion of the dentists, and practically all of

the trained nurses and nursing-aids. It is carrying most of the load in the provision of personal medical services. Though operating substantially at full capacity, it is grossly inadequate to meet the needs of the population. It is inadequate not only quantitatively but also qualitatively; on this, everybody in Haiti is agreed, including the responsible administrative officers, the practitioners (salaried and private) and the public.

If the public system is to be made adequate, it must have large expansion, rebuilding, re-equipment, improvement in administration and in quality of care. To achieve these objectives, there must be greatly enlarged financial resources to support the system, both for capital construction and equipment and for annual operating costs. There must also be many fundamental reorganizations of administration and practice--to give greater security of tenure to the staff and to assure advancement on the basis of merit, to strengthen a sense of discipline and responsibility in the services, and to advance the quality of care.

Adequacy of the Resources to Provide Insurance Benefits

Potentially, the social insurance systems could look to the existing resources, especially to the public hospital and medical system, to provide the services which would be promised as medical benefits to the insured persons. But this would be a satisfactory arrangement for meeting the insurance obligations only if the services to the insured persons will actually be available to them in suitable quantity and quality. Such a result could be achieved only if the present resources were greatly enlarged; or, in the alternative, if enough of the present resources were reserved for the insurance beneficiaries, or if these persons were given some kind of practical and acceptable assured priority of access to the existing resources; and only if the quality of the services were improved so that the insured persons would be satisfied that they were getting value received for the insurance premiums paid by them (and by their employers).

The existing private resources are even more insufficient in total and they would not of themselves be able, place by place, to meet the needs of the potential insurance beneficiaries--if the social insurance system has substantial coverage in the Port-au-Prince area or over the nation generally. The number of private practitioners, now small, could of course be rapidly expanded by drawing from the public system; but there are substantially no private facilities for in-patient care or for the organized (clinic) care of ambulatory patients. If the insurance system were to consider relying on the private resources, facilities would have to be developed.

The total resources for personal medical services, public and private combined, are insufficient to meet the obligations of nation-wide

coverage under the social insurance systems. In Port-au-Prince, however, because of the disproportionate concentration of medical resources in this area, there may be nearly enough quantitatively--if not quite enough--to meet the obligations of the insurance system. With appropriate enlargements of hospital and clinic facilities, and with necessary improvements in organization and in adequacy of service, there could be sufficient resources at least for an insurance system which started with limited coverage.

These conclusions concerning the potential capacities of the public and private medical resources to meet the obligations of the insurance system are independent of the nature of the arrangements through which the insurance system undertakes to meet its medical benefit obligations.

Alternative Patterns for Providing the Medical Benefits

In deciding how to provide the medical benefits, IDASH is confronted by four possible alternatives:

(a) As specified in the social insurance law of October 1949, it could undertake to provide services to the maximum extent possible in and through its own medical resources (hospitals, clinics, etc.). This would mean that IDASH would have to construct facilities, staff and manage them;

(b) IDASH could rely on public hospitals and clinics operated by the Department of Public Health, arranging for that Department to furnish the services to the insured persons and agreeing to reimburse it for services rendered to insurance beneficiaries;

(c) IDASH could rely on private practitioners to furnish the medical services, utilizing hospitals, clinics and private offices, built and owned by those practitioners, or through hospitals and clinics built for them by IDASH, or built by them with loans from IDASH or from other sources (these alternatives are suggested by some representatives of private practitioners);

(d) IDASH could utilize a mixed system--developing its own facilities, utilizing the resources of the public system of the Department of Public Health, and supplementing these by the services of private practitioners who are under contractual agreements with the insurance system.

IDASH is confronted with these alternatives, and it must make a choice. Obviously, it should make its choice with regard not only for its obligations to meet the needs of the insurance system but also with regard for its potential role in contributing to the larger health needs and programs of Haiti as a whole.

An IDASH System

The first alternative, operating through IDASH's own facilities and staff, has the obvious advantage that the insurance program could build and staff its facilities to meet its obligations. It could provide services that are adequate in quantity and in quality.

This method also has obvious disadvantages. It calls for substantial capital funds, and it would be a large and complicated undertaking. This would be an especially serious obligation in the first years when IDASH would be going through the critical period of organizing, recruiting and training staff, developing administrative procedures, engaging in necessary public educational activities, etc. It might also be more expensive than some other alternative, at least for the first years. Also, the selection of this alternative and the development of an IDASH system of medical facilities and personnel would lay the basis for a dual system of medical resources in Haiti--the general public system of the Department of Public Health and the IDASH system. This could result in competitive and rival organizations--in a country which does not now have even minimum adequate medical resources. This objectionable feature of the choice might be more serious under present conditions than at a later time when total resources are larger.

On balance, it appears that this first alternative should not be IDASH's first choice for the initial period. If this pattern is nevertheless chosen, it should be implemented only very slowly, step-by-step, and only as necessary to meet the obligations of a coverage which is similarly expanded in successive steps or stages.

Use of the Public Health System

The second alternative, operating by relying upon the Department of Public Health to furnish the medical benefits, it obviously the simplest and easiest approach in principle.

The adoption of this pattern would relieve IDASH of the complexities and burdens involved in planning, organizing, building, staffing and managing a hospital and medical system. Such relief for IDASH would be especially important in its first years, when it is tackling the difficult problems involved in organizing an insurance

system and getting into operation. Moreover, by undertaking to purchase the medical services needed to meet medical benefit obligations, and by paying for the services, IDASH could provide valuable financial support to the public system. Such support could be adequate in amount and assured in continuity for the support of higher quality care than is now furnished by the public system. IDASH operations and finances could therefore bring new strength and new hope and promise to the public system, rather than competition and rivalry and the danger of contributing to the deterioration of that system.

However, provision of the insurance medical benefits through the Department of Public Health is a practical choice only if IDASH can be assured that the Department will actually be able to provide the services in adequate quantity and quality and under conditions that make the services acceptable and satisfactory to the insured persons. If it cannot have such assurances, the choice of this alternative would be a serious mistake and could have disastrous results for the insurance program.

Operation Through Private Practitioners

If IDASH chooses the third alternative, it could rely upon all the practitioners, who are now engaged in the private practice of medicine (whether or not also on the salaried staffs of the public system). But it would have to develop service contracts with them, agreements as to methods and rates of payment for services rendered to insured persons, arrangements for checks and reviews on services, costs, etc. IDASH would also have to effect arrangements for these practitioners to have the privilege of serving insured persons as in-patients in the public hospitals and clinics, or it would have to encourage or aid these physicians to build and staff hospitals and clinics, or it would have to provide them with such facilities through insurance funds.

This pattern, in one or another of its variants, is strongly urged by some representatives of the medical societies and by some practitioners who are wholly or mainly engaged in private practice.1/ This pattern would mean, in the long run and for a more or less fully developed and extended social insurance system, the provision of insurance benefits by all the physicians of Haiti who wish to participate in it, wherever located. This pattern would also mean the development of a system of private hospitals and clinics built through capital provided by IDASH or others, and subsequently supported by continuing maintenance payments from IDASH.

1/ See, for example, the report by Dr. Auguste DENIZE in the Bulletin de l'Association Medicale Haitienne, January 1951, pages 48-53.

As noted earlier, this pattern would probably result in drawing staff away from the public system into the insurance-supported private practice. To the extent that IDASH, through its insurance funds, could pay at higher rates than the public system, the IDASH system would draw staff away from the public system selectively, with potentially serious adverse consequences for the public system and for its opportunities to expand and improve services for the population outside the insurance system.

Use of a Mixed System

If IDASH chooses the fourth alternative, obviously it could have the advantages of utilizing all the existing and all the future medical resources of Haiti. This is obviously what is needed in principle; and it is strongly urged by some representatives of medical societies and of private practitioners. But it is obvious that, to the extent that the pattern uses multiple resources through diverse arrangements, it also involves IDASH in many complexities of contract, organization and administrations. Also, as for some of the other alternatives, there is a serious question whether the cost of such a multiple system of medical benefits would be the lowest for which IDASH could meet its insurance obligations at a reasonably satisfactory level.

Outlook for Enlarged and Improved Resources

This problem which confronts IDASH obviously would not exist if the public hospitals were adequate in size and quality of service. It is therefore important to take note of plans under consideration for the construction of new facilities and the modernization of parts of the old.

There is widespread agreement about the inadequacy of present hospital resources in Port-au-Prince for both in-patient and out-patient services. The same is true for the hospitals elsewhere, though in some places the deficiencies of equipment, supplies and staff are apparently more serious than the deficiencies of over-all size.

The acute situation in the capital area has been receiving the attention of the Government, especially because the General Hospital serves not only cases arising in this area but also referred cases from other parts of the country. Plans for new hospital facilities are receiving close study (March 1951).

With respect to the social insurance programs, there can be no doubt that the construction of new hospital facilities in Port-au-Prince would invite IDASH to gear its plans to this project. If the new facilities are built according to the plan now being considered, they

could become available about mid-1953 or soon thereafter. IDASH should certainly give serious consideration to the opportunity presented by this prospect for improved facilities and services. If the project is not undertaken, or is long delayed, IDASH has to consider alternative plans.

The reasons were given earlier why IDASH should consider making a beginning with social insurance limited at the outset to Port au-Prince and its environs, and with limited insurance coverage. If the hospital and medical resources are still very limited when IDASH is ready to begin, and the outlook is that they will continue to be inadequate, IDASH would have an additional reason for starting only with work-accident insurance until it has gained administrative experience and until enlarged facilities are available. If it seems unlikely that the needed enlargement and improvement of facilities are to be realized through the public hospital system, obviously they would have to be brought about by IDASH itself--to the extent necessary to meet the insurance obligations.

If IDASH decides to proceed with a limited program in the interim (e.g., with work-accident insurance only), there are indications that the Department of Public Health can prepare the necessary hospital and clinic facilities to provide the medical benefits. Such a limited insurance program would need only relatively small facilities--about 25-60 beds, and out-patient clinics staffed by about 6 physicians, or somewhat less than these figures indicate (see Chapter VII). A hospital and clinic of this size probably would not be a highly economical unit, if self-contained. Therefore, it would be unwise for IDASH to undertake to construct, equip, staff and manage it, if this task can be avoided. This pattern of reasoning invites IDASH to arrange for medical benefits for an initial, limited program through the Department of Public Health--if it can do this with adequate guarantees.

If the benefits for insurance in the Port-au-Prince area are to be provided at the General Hospital, the services must bessubstantially improved. The financial analyses have shown that IDASH could pay adequately for services of much better quality than are furnished there now. Its agreement to do so can provide the necessary financial assurances so that the General Hospital can afford to effect the improvements that are needed for so many beds and such clinic facilities as would be necessary to provide the insurance benefits.

The availability of IDASH funds to pay for relatively high-grade services for the insured persons--sufficient funds to pay for facilities, equipment and supplies and to pay at adequate rates for competent selected staff, should encourage improvement of all services and not merely of those provided to insured persons. This should also encourage physicians generally about the future of medical practice in Haiti and should accelerate the needed improvements in medical education. And it should have similar beneficial effects for dentistry and nursing.

New financial support from IDASH will not, of itself, solve all the problems that are presented by the General Hospital in Port-au-Prince and the general hospitals elsewhere. As remarked earlier, the present public hospital system is severely criticized by many people--and with good reason. To the extent that the criticisms are justified, IDASH should expect to have firm assurances that objectionable administrative practices or functional conditions would not be permitted to persist to the point of interfering with the provision of adequate services for the insured persons.

If IDASH finds that it can effect the indicated contracts with the Department of Public Health, with good assurance that the needed services will be available--in adequate quantity and quality, it could proceed with its plans for a first experiment in organizing and administering social insurance. And it could do so with much less difficulty than if it had to provide for the medical benefits by any of the alternative methods. If this pattern is followed and is found to work well, the arrangements could be extended for broader insurance coverage; and the experience in Port-au-Prince could provide the pattern for insurance operations extended to other areas.

If such an arrangement cannot be effected, or if such a pattern does not work effectively (even for limited insurance coverage in Port-au-Prince), IDASH would have to consider another choice among the alternative methods of providing medical benefits. It would have to give equally careful consideration to constructing and operating its own facilities, and to contract arrangements with private practitioners for services rendered on fee-for-service, capitation or salary (full-time or part-time) basis.

CHAPTER IX

Administration of Social Insurance

Introductory Note

The administration of social insurance has to meet the requirements and obligations which apply to all public agencies. In addition, it has to meet the special and more exacting requirements which arise from its insurance nature.

In the case of a general public service, the relationship between particular taxes and services is usually remote and ambiguous. In the case of social insurance, the relation between insurance contributions and benefits is both direct and clear.

Large numbers of employers and employees make periodic earmarked contributions to a social insurance system. In return, they expect insurance benefits which are equal in value to the contributions paid and which are furnished with efficiency and economy.

Since a social insurance system operates through special and independent financing, it has to protect its solvency against short-term or long-term fluctuations in income and outgo through maintenance of reserves whose safety and availability must be assured. And since the insurance system has to have long-term continuity, to be successful it must win and keep public confidence in its competence, efficiency and integrity.

To meet these special requirements, social insurance administration has devised and uses special methods (a) to inform covered employers and employees about the insurance system and how to participate in it, (b) to collect and manage contributions, (c) to arrange for the payment of cash benefits to insured persons and to provide medical benefits to them and their eligible dependents, and (d) to give a satisfactory accounting to the contributors.

Over the long history of voluntary and compulsory social insurance, through centuries in Europe and decades in other parts of the world, a special kind of administrative institution has evolved. It is an autonomous or quasi-autonomous institution, adapted to the administration of this public service. It has gained widespread acceptance, though the details of its form differ among the countries that have adopted social insurance.

The Haitian Social Insurance Law of October 1949 shows familiarity with this background. It provides for administration of the social insurance programs through IDASH, a more or less autonomous

institution. Though substantially self-contained, as indicated in the summary of the Law in chapter I, IDASH would have certain specified relationships to the President and to certain of his Ministers. For example, all nine members of the Conseil d'Administration would be appointed by the President; and three would be representatives of the Government, chosen by the President from the Departments of Labor, Public Health and Finances (the other six from panels of names submitted by employers and labor).

Criticism of the IDASH Organization

When IDASH and its Conseil d'Administration were activated in July 1950, this substantially autonomous insurance institution came into being. Shortly thereafter, various criticisms were raised. Some of the complaints were concerned with substantive specifications in the Law, and others with questions of timing and public preparation for inaugurating the program. But still others were focused on the autonomous nature of IDASH itself, especially on its substantial apartness from the general Government of Haiti. A serious question was raised whether it is practical or desirable to have social insurance in Haiti administered by an autonomous administrative body. It was proposed that, instead, social insurance should be administered as are other public functions, with the administrative responsibilities lodged in a regular department of the Government (the Department of Labor). All of these questions were left in suspense when on September 28, 1950 the interim Government under the Junte decreed the indefinite suspension of the Law.

For the reasons which lie behind the evolution of special administrative techniques for social insurance, it would appear to be unwise and unsound for social insurance administration in Haiti to be incorporated in the usual way within a regular department. It is apparently equally objectionable to have a wholly autonomous institution. Something between the two appears to be desirable—preserving the advantages that many countries have found in the autonomous institution, and yet assuring close policy coordination with the Government as a whole and with those of its departments that would be specially concerned with particular aspects of social insurance operations.

Revised Organization of IDASH

Two solutions to this problem may be suggested for consideration:

Plan A would keep the basic framework of the autonomous institution which is now in the law, but amend it to ensure coordination with the general Government;

Plan B would make IDASH an integral part of a regular department of the Government (the Department of Labor), but preserve certain characteristics of the autonomous administrative institution which are especially useful and important for social insurance.

In either case, the result would be a coordinated semi- or quasi-autonomous institution.

Outline of Plan A

The specifications of the Law of October 1949 might be amended so that IDASH would still be an autonomous institution in the sense of being a separate legal entity, and of having separate property and financing. But IDASH would be coordinated with the general Government, as through the following specifications--

a) The appointment of the three Government members of the Conseil would be made by the President on the recommendation of the Ministers concerned (Labor, Public Health and Finances);

b) The appointment of the other members of the Conseil (representing employers and labor) would be made by the President on recommendation of the Minister of Labor from panels of names submitted by the respective groups;

c) The member of the Conseil representing the Department of Labor would be the Chairman, ex officio; and the Conseil would elect the Vice-Chairman and Secretary from among its other members.

d) The President would appoint the Director from nominations submitted to him by the Conseil through the Minister of Labor, and would have authority to remove the Director on recommendation of the Conseil through the Minister of Labor, or on his own motion;

e) The Conseil would have responsibility for the general policies of the program and of administration, and for general supervision of the Director and his operations;

f) The Director would appoint, promote and dismiss subordinate personnel, in accordance with policies, standards and procedures established by him with the approval of the Conseil as to selection on a merit basis, tenure of appointment, and promotion and dismissal policy;

g) The general policies of IDASH would not be formally adopted or effectuated, and general decisions (within the latitudes authorized in the Law) concerning coverage, contributions and benefits would not come into operation, until approved by the Minister of Labor--who would act on financial matters after consultation with the Minister of Finances, and on health and related matters after consultation with the Minister of Public Health;

h) The Conseil and the Director would be required to make annual reports to the President through the Minister of Labor, giving full accounts of operations and problems, and making recommendations for amendment and improvement of the program, which the Minister should transmit to the President with comments thereon.

i) The financial operations of IDASH would be audited annually by officers designated by the Minister of Finances;

j) Various health and medical benefit programs of IDASH would, to the maximum extent practical, be expected to be either integrated or coordinated with the program operations of the Department of Public Health; and, by mutual agreement between the Director of IDASH and the Director General of Public Health (the respective Ministers concurring), might be operated for IDASH by the Department of Public Health on a reimbursable basis.

Outline of Plan B

In the alternative, the specifications now in the Law might be amended so that IDASH would be part of a regular department of the Government (i.e., the Department of Labor), but would have its own legal identity, conduct its detailed operations as to contributions and benefits in its own name, and have separate property and financing. The Law would need amendment to achieve the following--

a) The administration of IDASH would be the responsibility of a Director, assisted by an Advisory Council, all under the general direction and supervision of the Minister of Labor;

b) The President would appoint the Director on advice of the Minister of Labor, after the latter has consulted with the Advisory Council, and would have authority to remove the Director on recommendation of the Advisory Council through the Minister, or on his own motion;

c) The nine members of the Advisory Council would be appointed by the President: the three Government members on the recommendations of the Ministers of Labor, Public Health, and Finances, respectively; the other six members (three from employers and three from labor) on recommendation of the Minister of Labor from panels of names submitted by the respective groups, the member representing the Department of Labor would be Chairman (ex officio) of the Advisory Council; and the Council would elect its own Vice-Chairman and Secretary.

d) The Advisory Council would have responsibility to advise the Director on all general policies of administration and periodically to review his operations, and would have to be consulted by him before he adopts general policies;

e) The Director would appoint, promote and dismiss subordinate personnel, in accordance with policies, standards and procedures established by him after consultation with the Advisory Council and approval of the Minister of Labor as to selection on a merit basis, tenure of appointment, and promotion and dismissal policy;

f) The general policies of IDASH, developed by the Director, would not be formally adopted or effectuated, and general decisions (within the latitudes authorized in the law) concerning coverage, contributions and benefits would not come into operation, until after consultation with the Advisory Council and approval by the Minister of Labor--who would act on financial matters after consultation with the Minister of Finances, and on health and related matters after consultation with the Minister of Public Health.

g) The Director and the Advisory Council would be required to make annual reports to the President through the Minister of Labor, giving full accounts of operations, consultations and problems, and making recommendations for amendment and improvement of the program, which the Minister should transmit to the President with comments thereon.

h) The financial operations of IDASH would be audited annually by officers designated by the Minister of Finances;

i) Various health and medical benefit programs of IDASH would, to the maximum extent practical, be expected to be either integrated or coordinated with the program operations of the Department of Public Health; and, by mutual agreement between the Director of IDASH and the Director General of Public Health (the respective Ministers concurring), might be operated for IDASH by the Department of Public Health on a reimbursable basis.

Administrative Organization of IDASH

Haiti cannot merely borrow an administrative pattern from some other country which has social insurance programs in operation. To have effective and efficient administration of its own programs, it has to devise a pattern specially suited to its own law and to its own circumstances and practices.

At this time, the details of an administrative pattern cannot be usefully suggested. Many basic provisions of the Law of October 1949 are subject to reconsideration, and many aspects of administration will be affected—one way or another—by the decisions to be reached. A promising beginning has been made in achieving understanding of social insurance principles; but among the persons who are expert on Haitian circumstances and Government practices, only a few have begun to have some familiarity with social insurance and its administration. Their direct participation is essential to the formulation of a detailed plan, so that the results will join their knowledge of Haitian Government administration with the knowledge of a consultant who may be familiar with social insurance practice and experience in other countries. Detailed blueprinting of administration should wait until a small but selected group of Haitians has achieved more intimate knowledge of social insurance administration, and is fully equipped for the responsibility involved in planning. A preparatory program to achieve this objective will be outlined later.

At this point, however, it may be worth indicating the general functions which must be performed in social insurance administration. This may be helpful in guiding the selection of persons who should be provided opportunity to study social insurance principles and practices.

The general functions that must be served in the administration of work accident insurance may be summarized as follows--

1. General direction, budget, personnel and property control
2. Legal determinations
3. Registration of employers
4. Collection of premiums and auditing of payrolls
5. Record keeping, accounting, and auditing
6. Assessment of premiums 1/
7. Accident reporting and prevention
8. Claims taking and processing
9. Provision of medical benefits
10. Certification and determination of degree of incapacity
11. Payment of awards
12. Statistical, actuarial and economic research and control operations
13. Informational services, and education of the public, employers and employees
14. Management of current finances and investments
15. Impartial review of complaints, appeals against decisions and awards, etc.

Similarly, the functional management of sickness and maternity insurance involves the following--

1. General direction, budget, personnel and property control
2. Legal determinations
3. Registration of employers, employees and dependents
4. Issuance and management of stamp books and/or payroll reporting forms
5. Sale of stamps (if this method is used)
6. Collection of premiums and/or stamp books
7. Record keeping, accounting and auditing
8. Claims taking and processing
9. Provision of medical benefits and operation of preventive programs
10. Certification and review of incapacity
11. Payment of cash benefits
12. Statistical, actuarial and economic research and control operations

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1/ A special function required if (or when) premiums are graduated according to industry or establishment risk.

13. Informational services, and education of the public, employers, and employees
14. Management of current finances and investments
15. Impartial review of complaints, appeals against decisions and awards, etc.

These are imposing lists. Nor is this surprising, since social insurance administration is a complex function. It is possible, however, to group the functions for administrative purposes into fewer categories. (It would, however, go beyond the scope of this study (and add great bulk to the appendices) to include the detailed blueprints, flow-charts, rules and regulations, and forms actually used by one country or another. All such material can be readily obtained for study when the persons who are to be trained are ready for that stage.)

A study of the functions listed above will suggest various combinations of special fields for which persons who are to be given opportunity for training should be selected. For example, a team of six persons might represent individuals destined to work in

a. General administration (two)
b. Financial aspects, claims, etc.
c. Records, statistics, etc.
d. Information, education, accident prevention, etc.
e. Medical aspects of social insurance administration.

Each of them should, of course, go through a broad training and preparatory program, though with attention focused on a potential field of specialization. Many other combinations of specialization may be considered, with special reference to the background, aptitudes, interests, etc., of the candidates available for the team.

Training of Personnel and Development of Administrative Pattern

In light of all the circumstances revealed by this survey, it appears that the training of personnel for administration and the development of an administrative pattern might be planned as a concerted program which includes the following steps--

a) Selection of about six individuals who by ability, education, experience, aptitude, and interest may be expected to serve as the nucleus of the future senior administrative staff, and who have the language equipment for study in selected foreign countries.

b) Provide these individuals a preliminary full-time period of about three months in which to study social insurance principles, history and experience.2/ The purpose of this preliminary study program is to prepare them so that they are equipped for foreign study. They should not go to other countries without information about social insurance in general, or without advance knowledge of the programs operating in the countries to be visited. With such advance preparation they will be better received and they will profit very much more from their visits and observations.

c) Provide these individuals with opportunities to visit countries which operate social insurance programs. Each individual might have about four months in which to visit two, three of four countries, so that he can study more than one pattern of administration. Each individual should observe at least one workmen's compensation and at least one sickness (or health) insurance system.

d) Provide for the six members of this group to have a subsequent period of about three months in which to engage in a joint review of their studies and observations, and for joint planning of an administrative pattern for Haiti. In this period, they should design the blueprint for administration; they should draft standards, operating flow-charts, forms, procedures, rules and regulations, etc. And they should begin the recruitment and training of subordinate personnel. This stage of the program will profit greatly if arrangements can be made for the group to work under the guidance of a consultant expert who has had broad experience in social insurance administration, especially in workmen's compensation and/or sickness (health) insurance.

e) At the end of the preceding stage, the group should be able, under the general supervision and direction of the responsible government officers, to develop for formal adoption in a period of about two months a sound plan for administration--as sound as it can be in advance of actual operation. In this period, the evolving administrative corps should be completing the recruitment and training of subordinate personnel.

2/ They may have associated with them in this study period others who are to be employed subsequently in social insurance administration but who will not participate in foreign visits and studies.

f) The preceding preparatory stages should be followed by a period of (say) six months in which (as already contemplated) the Social Insurance Law is in force for registration of employers 3/ and payment of insurance premiums 4/ --prior to provision of benefits. In this period, the advance administrative plans can be tested and perfected with respect to certain functions (registration, collection, accounting, etc.), and trials or pilot experiments can be made with respect to benefit claims and payments.

g) Throughout the 18 months of stages (a)-(f), inclusive, the work should be proceeding to arrange for the availability of the medical benefits. At the beginning, there would presumably be decisions as to the general pattern to be followed. On the basis of those decisions, plans should proceed for the necessary rehabilitation and preparation of existing facilities (hospital, clinic, etc.), or for the construction, equipment and staffing of new facilities required by the insurance program.5/

h) Also, throughout the 18 months period, the temporary administrative organization should be proceeding with a comprehensive informational and educational program. This should foresee the needs for educational activities with the public in general--to give them knowledge of the social insurance program, and with employers and employees who are to be covered by the insurance system. In the first month or two, this program should be planned. Then, it should focus on the preparation of educational material--releases for newspapers, radio, employers, schools, interested organizations and associations; informational leaflets; texts for speakers, to prepare them to address various kinds of groups; graphic posters; still and moving pictures, because of the importance of relying heavily on information and education through visual and auditory means; etc. The objective should be all possible advance preparation to inform people and to equip them for informed participation in the insurance operations. Certain of the prepared material should be ready for use, and should begin to be used, (say) a month

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3/ If applicable to workmen's compensation, registration of employers only; if applicable to sickness and maternity insurance, registration of both employers and employees.

4/ Presumably, by employers only.

5/ It is important to note the assumption here that 18 months is ample to assure the availability of the needed facilities.

or two before the Law is declared in force and collection of premiums begins. Additional material, especially with reference to employee participation and the availability of benefits, should be ready for use in the six months between the date when the Law comes into force and the date when benefits become available. This educational program may be greatly aided by the availability of expert consultants throughout.

These eight stages may be recapitulated as follows--

Stage A

Successive Steps	Months
a. Selection of personnel	
b. Preliminary study period in Haiti	3
c. Training abroad	4
d. Review; and planning of administration	3
e. Development and adoption of operating plan	2
f. Preliminary operating period (collection of contributions, prior to provision of benefits)	6
Total	18

Stage B

Simultaneous with Stage A

g. Preparation for the provision of hospital, clinic and other medical benefits 6/	18
h. Preparation and performance of informational and educational programs	18

This leads to an over-all 18-month schedule from the time the nucleus of key personnel is first selected--12 months before collection of insurance contributions first begins, and 18 months before benefits become available.

It is possible that this is too brief and too tight a schedule. If unavoidable delays are met at the early stages, the preparatory program should not be hurried; it should be extended to (say) 24 months over-all.

6/ As noted before, this assumes that the initial program would be of such limited scope as not to require the construction of major hospital and clinic facilities. If large-scale hospital and clinic construction will proceed, for the purpose of serving the public generally and the social insurance program as well, the 18-month schedule outlined here should be geared to the date when that construction project--if not too long delayed--can assure the availability of the medical benefits.

CHAPTER X

Conclusions and Recommendations

Introductory Note

This study was undertaken when the Government of the United States was asked by the Government of Haiti to furnish technical assistance in the development and implementation of a Social Insurance Law enacted in October 1949. The objectives of the study were to survey the social and economic environment in which the social insurance program would have to operate in Haiti, and to advise whether or not, and how, it could be introduced and administered.

Much of the information essential for this study was non-existent. Special surveys and compilations were therefore undertaken, to provide statistics on employment, family composition, earnings, incidence of incapacity and work accidents, and on resources for medical and hospital care. The results of these special inquiries were used in conjunction with population statistics resulting from the first Census of Haiti (August 1950) and with other information accumulated from diverse sources, field visits and conferences. The data and their analyses are recorded in some detail in this report, in order to show the grounds for many of the conclusions and recommendations summarized here, and to make them available for use in planning and performing further studies.

General Conclusions

Before turning to problems concerning how to implement the Social Insurance Law, it was necessary to ask whether or not it should be implemented.

Many considerations lead to the conclusions that Haiti badly and urgently needs social insurance, and that there are no practical alternatives for achieving the objectives which are possible through the method of social insurance. This method has important limitations for Haiti because the country has meager or inadequately developed resources for a growing population of over 3 million; it has widespread poverty and sickness, and massive unemployment and under-employment; it lacks trained personnel; and it has insufficient facilities for medical and hospital care. Nevertheless, despite the limitations, social insurance has great potential value for contributing to the general welfare of Haiti, supporting and complementing other measures to reduce sickness, poverty and insecurity. Haiti needs and should develop social insurance.

These general conclusions from the study are strongly supported by testimony from many groups and individuals that were consulted. There is an almost surprising unanimity of opinion among officers of the

Government, employers, labor leaders, educators, physicians and others in many walks of life that Haiti needs and should undertake a program of social insurance. There are differences of opinion among them, but these are focused only on certain important details of the program--initial scope and content, particular methods of administration, etc.

Despite great difficulties that have to be met and overcome, especially deficiencies of resources that have to be made good, Haiti can implement its Social Insurance Law.

The Law is modest in scope; it proposes only insurance against work injuries and against the wage losses and medical costs of sickness and maternity. It does not attempt other forms of social insurance; and it does not attempt a general program of public assistance. The limited scope of the program is sound in relation to Haiti's limited resources.

The systems of work-accident insurance and sickness-maternity insurance proposed by the Law apply to only a small fraction of the population--to those who are wage and salary earners in commerce, industry, agriculture, private teaching, domestic service, and public employment, and to certain of their dependents, and not to the much larger part of the population self-employed in agriculture or other enterprises. Nevertheless, even these limited systems cannot be safely undertaken <u>in toto</u> from the outset because Haiti has substantially no background of public familiarity with insurance, it has almost no personnel prepared for administration of social insurance, and it has serious deficiencies in the medical resources essential for the provision of medical benefits under the insurance systems.

Haiti would therefore be wise to start with only a part of its modest social insurance program, and only after an introductory period in which it could prepare the public for participation in the program, train a nucleus of administrative personnel, and augment its medical resources. Then, with the accumulation of operating experience and with the vigorous prosecution of further developmental plans, it could safely expand its social insurances.

Recommendations

General

1. Haiti's limited resources advise that social insurance should be inaugurated on a minimal scale and where the conditions are most favorable. The limitations can be most readily overcome in the Port-au-Prince area, and the beginning should be made there. Deficiencies in hospital and clinic facilities and in medical personnel are among the most important and among the slowest to overcome. The

initial insurance program should therefore be such as will involve minimal additional demand upon the medical resources--until they can be augmented; the initial insurance program should be one whose medical needs can be most readily met in the initial and early years of operation.

2. There are many advantages in inaugurating both work-accident and sickness-maternity insurance simultaneously. But there are also serious disadvantages, especially because of the limited resources and the problems involved in preparing the public for participation. Haiti can start with one insurance system, rather than two, without sacrificing essentials. It will be easier in many respects to start with work-accident insurance, and the social insurance program should be limited at the outset to this system. Sickness and maternity insurance should be inaugurated later, after one to three years of operating experience and after medical resources have been expanded.

3. Any initial program, even limited work-accident insurance, should be undertaken only after a preparatory period which provides for

(a) the performance of further surveys and studies, to furnish more reliable estimates of coverages, claims and costs than could be developed in this report,

(b) the selection of personnel and their training in Haiti and abroad,

(c) the preparation of a detailed plan of administration,

(d) the development of medical resources (hospital, clinic, etc.) adequate for the program, and

(e) the preparation and performance of an educational program directed to the public generally and to employers and employees.

The analyses in chapters VII and IX indicate that this preparatory period requires not less than a year before the Social Insurance Law is declared in force and collection of insurance premiums begins, and not less than 18 months before benefits become available to insured persons.

4. The initial introduction of each social insurance program should be limited to Port-au-Prince and its immediate environs. It should then be extended to a wider surrounding area and to other parts of the country when experience justifies. Such extension should be effected as rapidly as practical, in order to achieve uniformity of treatment among the employers and employees in each covered industry.

5. Insofar as practical, the specifications for work-accident insurance and sickness-maternity insurance should be made similar or identical in the Law, looking toward the maximum coordination or eventual coalescence of the two insurances. By following this policy, Haiti can hope to achieve maximal simplicity for administration and for employer and employee participation--with a combined system of contributions and collections and without need, prior to provision of benefits, for determining whether a claim is or is not work-connected in origin.

6. As noted before, the provision of the hospital, clinic and other medical benefits presents some of the most difficult problems for the social insurance program. Various alternative methods of providing these benefits are examined in chapter VIII. Each has advantages and disadvantages. A determining consideration is that the insurance administration should if possible avoid the need to build, equip, staff or manage medical facilities and services in the initial period, when it has so many other difficult problems to solve. In principle, it would be preferable for the social insurance system to arrange for the availability of these benefits by contract with the Department of Public Health, the latter assuming full responsibility for providing the required services in adequate quantity and quality. If the social insurance administration cannot have firm assurance of performance--as to quality as well as quantity--under such a contract, it should proceed to develop and operate its own necessary and sufficient medical resources. Experience under the limited program of the initial years should provide the basis for planning the provision of medical benefits for the larger program of subsequent years--in Port-au-Prince and elsewhere.

7. The construction and equipment of hospitals and clinics required for either work-accident insurance or sickness-maternity insurance, or for both, (whether separate facilities or parts of general public hospitals), should if possible be financed by grants from the Government of Haiti, especially in the early years of social insurance. Such grants are justified by the contributions which the insurance systems may be expected to make to the general welfare, and by the financial relief they will bring to the Government's program of public hospital, clinic and medical care. If such grants are not feasible, and the social insurance reserves are too small to permit investment in needed facilities, the Social Insurance Law should authorize IDASH to borrow the needed money, with repayment to be made on a capital-amortization basis out of current and future financial resources for the provision of medical benefits.

8. The Government of Haiti is considering the construction of a new general hospital in Port-au-Prince. If it proceeds with the plan, it should favorably consider having that institution prepared and equipped to provide hospital and clinic services to the beneficiaries of the insurance systems (as well as to the general public), with IDASH reimbursing the Department of Public Health for services furnished as insurance benefits. Any plans for the preparation and construction of special facilities for or by IDASH in the Port-au-Prince area should take account of this general hospital project.

9. Whatever plans are finally adopted for the provision of insurance medical benefits, they should be designed so as to give maximum practical support to programs for strengthening and improving the educational facilities for medicine, dentistry, pharmacy and nursing.

10. Social insurance experience in many countries warns that the provision of medicines, appliances and related supplies as medical benefits can be very expensive and very difficult to keep within reasonable financial bounds. Haiti should not have to learn through its own experience that a substantial part of insurance income can be wasted on commodities which contribute little of real value in preventing illness, accelerating recovery or minimizing disability. In the case of work-accident insurance, this part of medical benefit should be limited to commodities which the attending physician or dentist regards as necessary for diagnosis, treatment or rehabilitation; in the case of sickness and maternity insurance, it should be limited to those commodities which deserve insurance provision because they are seriously expensive as well as medically important. The hospital and clinic facilities which provide insurance medical benefits should include pharmacies to supply medicines, appliances and related commodities that are included in a list prepared by IDASH. IDASH should also consider selling at cost, in these pharmacies, other similar commodities that are prescribed by the attending physician or dentist but are not in the list of items furnished as insurance benefits.

11. The Social Insurance Law provides for administration through a more or less wholly autonomous institution (IDASH). As pointed out in chapter IX, this has been properly subject to criticism. The general pattern for IDASH should be modified so as to make it a semi-autonomous or a quasi-autonomous institution, coordinated with other departments of the Government. Two patterns of reorganization are presented in the text of the report. Plan A keeps IDASH as an independent agency, but interlocks it with related Departments of the Government ; Plan B locates IDASH within the Department of Labor, but preserves certain important advantages of the autonomous insurance institution. Plan A may be more advantageous, on balance, than Plan B for Haiti.

12. The programs contemplated by the Social Insurance Law would be insurance systems. Large numbers of employers and employees would participate, and they would have a direct and evident stake in the effectiveness and integrity of the operations. The President of the Republic and the Ministers most closely concerned (Labor, Public Health and Finances) should therefore give every possible aid to assure (a) selection of qualified administrative personnel for IDASH, (b) tenure and security of office on a merit basis, and (c) both economy and efficiency in administration.

13. The initial social insurance program may have to be of very small size, for reasons given earlier, and it may not be economical to administer. A substantial part of its administrative expense should be regarded as a developmental cost for the larger program of future years, and this expense should be subsidized from Government grants, from insurance reserves, or from both.

14. The Social Insurance Law should include, with respect to both work-accident insurance and sickness-maternity insurance, a general financial guarantee by the Government of Haiti that would underwrite benefits, administration, loans, and the principal and interest-return of invested reserves.

15. It is recognized throughout this report that the social insurance systems would apply to only a small proportion of the total population of Haiti even after insurance coverage is comprehensive. This results mainly from the exclusion of self-employed persons, especially those engaged in independent farm operation. Even with limited coverage, social insurance contributes to the welfare of non-insured persons by bringing income-security to the insured persons and by strengthening the nation's resources for personal health services. Nevertheless, the inauguration of social insurance for wage and salary workers invites renewed attention by the Government, especially if it subsidizes the insurance systems, to measures that will contribute to the welfare of the non-insured population. This applies particularly to measures for the expansion and improvement of health services for the rural population.

16. In view of the difficulties encountered in this study, and the continuing uncertainties in some of the basic statistical and financial data, new surveys and analyses should be undertaken as soon as possible to provide more, and more reliable, information for social insurance planning. Such surveys should accumulate more detailed and more comprehensive information on the sectors of the labor force which may be involved in work-accident insurance or in sickness-maternity insurance. They should cover: Employment and turnover; family composition; earnings; prevalence and incidence of sickness, accidents and injuries--by cause, duration, characteristics of the individual, and

by receipt of care and expenditures therefor; and resources for medical services furnished in the hospital, the clinics and the home.

17. The present and prospective work of the Bureau of the Census is very important for social insurance planning and operation, as well as for Haiti generally, and it should be actively supported. IDASH should encourage the Bureau to equip itself for the performance of special sample censuses, surveys, and statistical studies useful to the social insurance program.

Work-Accident Insurance

18. If there is any ambiguity in the Social Insurance Law, it should be made entirely clear that work-accident insurance (workmen's compensation) assumes responsibility for compensation and service benefits in cases of work-accident or injury, and that the Law relieves the covered employer of liability in such cases. However, since the Law of May 5, 1948 (arts. 10, 11) now requires employers to pay sick-leave wages at full rate for a maximum of 15 days in a year, and this is at a higher rate than social insurance compensation, the Social Insurance Law may retain this more generous provision and exclude it from the general relief given employers with respect to employer liability.

19. The Social Insurance Law authorizes IDASH to postpone the availability of benefits for six months after the Institute begins to function (art. 86). This is intended to provide an unique preliminary period for the inauguration of administration and the accumulation of insurance operating funds. It is not intended to be a period in which the insurance system takes over responsibility for compensation and in which the employer is relieved of liability for work accidents or injuries. The Law should make clear that while such cases occurring in this preliminary period may be made reportable, to initiate the system of accident reporting and prevention, the employer is not relieved of liability with respect to accidents or injuries occurring within this period.

20. Because of the probable administrative difficulties, the initial coverage of work-accident insurance should exclude domestic servants and farm laborers. However, coverage should be extended to these groups as soon as IDASH is confident it has devised practical administrative procedures and has arranged for the ready and adequate availability of medical benefits.

21. The administration of temporary disability benefits under workmen's compensation should be simplified by being paid with respect to the injured worker only, without reference to his dependents. Provision for dependents' benefits should be made later, when more compre-

hensive information is available on family composition of covered workers and when IDASH has had sufficient experience with claims, awards, payments and reviews to undertake the administrative complexities that will probably be involved in paying dependents' benefits in cases of temporary disability.

22. The specifications in the Social Insurance Law should be clarified so that in case of total disability (temporary or permanent), cash benefits are payable only with respect to any day or other period 1/ in which the disabled worker does not engage in any gainful work, whether or not his employer pays him voluntary sick pay or voluntary supplement to insurance benefit.

23. The cash benefits of work-accident insurance are intended as total or partial replacements of wage loss resulting from work-connected incapacity or death. Lump-sum settlements in lieu of periodic cash payments may be dissipated, leaving the beneficiary without income security. Such settlements should be made sparingly and conservatively, except when made for administrative convenience in settling very small awards.

24. On the basis of the limited information discussed in chapter VI, the initial premium for work-accident insurance should be uniformly 1 percent of total payroll of each covered employer (including in "total payroll" all payments as compensation, of whatever form). With respect to each of the first two or three benefit years, this initial premium rate should be subject to retroactive upward adjustment by assessment, on the basis of actual total experience; but such assessment, if any, should be at a uniform rate not to exceed the initial premium rate of 1 percent of payroll. With respect to each subsequent benefit year and until such time as IDASH finds graduated premiums necessary, the insurance premium should be at a fixed uniform rate for all covered employers. This rate should be determined annually on the basis of expected average cost for the year, and it should be subject to a uniform adjustment which may be an additional assessment for that year or a credit toward the premium of the following year. If graduated premiums are found necessary, IDASH should consider a minimum number of industry rates in (for example) 1/4- or 1/2-percent brackets, in lieu of widely varied experience rates for industries, employers or establishments.

25. In order to encourage economy and efficiency of administration, the Social Insurance Law should provide that IDASH may not in any fiscal year spend for administration of work-accident insurance an amount, chargeable to funds derived from insurance premiums, in excess

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1/ Except with respect to (a) the 15 days in which an employer is obligated under the Law of May 5, 1948 (art. 10) to pay sick pay, and (b) the insurance waiting period.

of a fixed percentage of such total premiums. The percentage should be (say) 25 percent with respect to each of the first 3 years, and (say) 20 percent with respect to each succeeding year. Administrative expenses here refer to both direct costs of current operations and a fair annual share of multi-year expenditures for buildings, durable equipment and supplies. Administrative expenses in excess of these limits should be permissible only if subsidized out of IDASH reserves or Government subsidy, because incurred for developmental purposes in an early period when the insurance system has very limited coverage.

26. For reasons given in chapter VI, the work-accident insurance law should not permit the self-insurance or the "contracting-out" of covered employers.

Sickness and Maternity Insurance

27. Sickness and maternity insurance should be instituted in the Port-au-Prince area after IDASH has accumulated necessary administrative experience under work-accident insurance (see recommendations 1 and 2, above). It should be undertaken only after performance of the necessary educational program and only after IDASH has assured the availability of adequate resources for provision of the medical benefits. When sickness and maternity insurance begins, its coverage should be the same as that which is in force for work-accident insurance at the time.

28. The Law should be clarified to assure that IDASH is authorized to undertake sickness and maternity insurance in stages with respect to employment coverage, geographical location, and scope of benefits--these three factors being taken severally or in combinations. The authorization should permit IDASH to reduce the total insurance contribution rate with respect to any coverage or period of time for which the scope of benefits is less than the total specified in the Law, and such reduced rate should be reasonably related to the cost of the benefits being provided.

29. The Social Insurance Law provides for voluntary insurance of dependents of insured employees. For the reasons given in chapter V, this is unwise and financially dangerous. The Law should be amended to provide for the compulsory insurance of dependents; but this compulsory insurance should not come into force automatically when the compulsory insurance of employees is instituted. IDASH should be authorized to determine when compulsory coverage of dependents comes into force. Until such time as IDASH has reliable statistical information about dependents, and is administratively prepared to cover them, sickness and maternity insurance should cover only employees.

30. In view of the urgent need for improved medical care for mothers and children, sickness and maternity insurance should be extended as rapidly as practical to domestic servants, especially with respect to maternity care and medical services for infants and other minor dependents.

31. Favorable consideration should be given to coverage (for medical-benefits) of the dependents of officers and enlisted men of the Garde d'Haiti, with periodic reimbursement to IDASH by the Government for the costs of benefits and administration incurred on their behalf.

32. The inadequacy of statistical information concerning earnings, continuity of employment and turnover, and other factors makes it necessary that the Social Insurance Law should start with rather conservative eligibility requirements. This is especially important for any period in which coverage is limited. Without such requirements, the insurance system may find itself obligated to furnish benefits to many more persons than the insurance finances can afford. Experience may show, however, that initially conservative eligibility requirements are unduly severe and restrictive. The Law should therefore authorize IDASH to reduce such eligibility requirements for medical and cash benefits by (say) not to exceed one-half of the number of required contributions in a contribution period when it is satisfied, on the basis of operating experience, that such liberalization is desirable and practical without endangering the finances of the sickness and maternity insurance.

33. In the interest of simplifying the administration of sickness and maternity insurance, cash sickness benefits should be paid only with respect to employees. Provision for benefits which take account of employees' dependents should be made later, after more comprehensive information is available on family composition of covered workers, and when IDASH has had sufficient experience with claims, payments and reviews to be justified in undertaking the additional complexity of administration.

34. To achieve simplification of administration and reduction of costs, without sacrifice of reasonable adequacy, the specifications for cash sickness benefit under sickness and maternity insurance should be amended so that it is payable (a) only after a waiting period of 7 (instead of 4) consecutive calendar days, (b) for a maximum of 26 weeks in a year (instead of for an indefinite period), and (c) only with respect to any day or other period 2/ in which the incapacitated employee does not engage in any gainful work, whether or not his employer pays him voluntary sick pay or voluntary supplement to insurance benefit. IDASH

2/ Except with respect to (a) the 15 days in which an employer is obligated under the Law of May 5, 1948 (art. 10) to pay sick pay, (b) the insurance waiting period, and (c) incapacity after the 26th benefit week.

may be authorized to liberalize the specification for the waiting period, within stated limits, when experience shows this is desirable and feasible.

35. In view of the uncertainties that will attend the operations of sickness and maternity insurance in the first years, the Law should be amended so that cash sickness and cash maternity benefits should be payable at the rate of 50 percent of basic wage (without allowances for dependents as in the Law) and so that the cash death benefit should be equal to the monthly basic wage (instead of three times as much). However, IDASH should be authorized to increase the rate for cash sickness and cash maternity benefits to 67 percent when experience warrants and the finances of the insurance system permit.

36. The Law provides for the compulsory coverage of only those employees who have earnings up to ₲300 per month. As found in chapter V, this is unduly restrictive in its effects on coverage and finances. The specifications for sickness and maternity insurance should be amended so that (a) compulsory coverage applies to all employees (including officers) of covered employers, regardless of earnings rate or amount, and (b) contributions are payable with respect to earnings up to ₲500 a month. If these amendments are made, the provision for voluntary insurance of employees with earnings in excess of a limit specified for compulsory coverage should be eliminated.

37. The Social Insurance Law should be amended to make the Government contribution to sickness and maternity insurance explicit, and to fix it at (say) one-third of the total cost. If this proportion is not feasible, the Government's share might, as a minimum, be fixed as an amount equal to the cost of administration (15 percent or less of the total annual cost), and take the form of an annual advance payment based on budget estimate, with an annual retroactive adjustment of such cost.

38. The financial analysis in chapter V indicates that, if recommendations 33, 34, 35 and 36 are adopted, the total contribution rate for sickness and maternity insurance should be fixed at 4 percent with respect to insurance of covered employees.3/ Whether the insurance costs are divided among employers, employees and the Government, or between employers and employees, the employer should be obligated to pay three-fourths of the total payable by both employer and employee with respect to employees earning less than ₲150 a month, and all of such total with respect to employees earning less than ₲110 a month.

39. Similarly, the financial analysis in chapter V indicates that, if recommendations 29, 33, 34, 35 and 36 are adopted, the total contribution rate for sickness and maternity insurance should be fixed

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3/ Instead of the 8-percent rate now in the Social Insurance Law.

at 7 percent with respect to covered employees and their qualified dependents if it is found, from further surveys, that there may be as many as 2 qualified dependents per insured employee; otherwise, if there may be substantially fewer than 2 dependents per employee, the rate should be fixed at 6 percent.4/

40. Provision should be made for periodic valuation of the equity relations between contributions and benefits in sickness and maternity insurance, to provide a basis for the periodic adjustment of the contribution rates and of the limit on the amount of monthly earnings subject to contributions.

41. In order to encourage economy and efficiency of administration, the Social Insurance Law should provide that IDASH may not in any fiscal year spend for administration of sickness and maternity insurance an amount, chargeable to funds derived from insurance premiums, in excess of a fixed percentage of such total premiums. The percentage should be (say) 20 percent with respect to each of the first 2 years, and (say) 15 percent with respect to each succeeding year. Administrative expenses here refer to both direct costs of current operations and a fair annual share of multi-year expenditures for buildings, durable equipment and supplies. Administrative expenses in excess of these limits should be permissible only if subsidized out of IDASH reserves or Government subsidy, because incurred for developmental purposes in an early period when the insurance systems have very limited coverage.

4/ Instead of the 13-percent rate now in the Social Insurance Law (8 percent for the employee and 5 percent for the dependents).

APPENDICES

A. The Social Insurance Law of October 1949

B. Work Accidents and Compensation on Three Sisal Plantations

C. Appendix Tables 1-19

Appendix A

Text of the Social Insurance Law, October 1949

Source: Le Moniteur, Journal Officiel of the Republic of Haiti. No. 113, Port-au-Prince, Monday, November 7, 1949.

Summary

Law founding an autonomous social insurance institution with juridical personality named the "Social Insurance Institute of Haiti"

LAW
DUMARSAIS ESTIME

President of the Republic

Considering Article 61 of the Constitution;

Considering the law of August 10, 1934 on working conditions, amended by the law of September 5, 1934 and the decree-laws of May 4 and September 24, 1942 and by the law of May 5, 1948;

Considering decree No. 268 of May 15, 1943 determining the operating conditions of the Social Insurance Fund;

Considering that it is the duty of the State to protect the worker against the risks inherent in his condition;

Considering that, in order to guarantee him the maximum of security, it is important to organize social insurance;

Acting on the report of the Secretary of State for Labor;

And after deliberation of the Secretaries of State in Council;

Proposed

And the Legislative Body passed the following law:

Art. 1. There is hereby established an autonomous social insurance institution having juridical personality. It shall be named the "Social Insurance Institute of Haiti" and may also be known by the abbreviated form "IDASH".

Art. 2. The purpose of IDASH is to administer social insurance according to the principles of the present law.

I

Definitions

Art. 3. For the purposes of the present law, the following terms and expressions shall be used in the sense indicated below, namely:

(a) The term "employer" means the natural or juridical person who, in the exercise of any activity, uses the services of another person in return for compensation, under an actual or implied work contract.

The State, the communes, and other public organizations shall be considered as employers in relation to their employees.

A contractor shall be considered as an employer and jointly with the principal employer shall fulfil the obligations of the law.

(b) The expression "industrial accident" means any bodily injury caused by or in the course of work.

(c) The expression "basic wage" means the wage received by the employee or worker exclusive of compensation for overtime work. In the case of an employee or worker paid by the piece, the basic wage shall be considered as the average wage paid during the three months preceding the accident or the sickness, or during the days already worked, if the length of time worked is less than 3 months.

(d) The expression "disability" means the impossibility for an employee or worker to continue performing his service because of sickness or an industrial accident.

Disability may be temporary or permanent.

Permanent disability may be partial or total.

(e) The term "dependents" means: 1. The legitimate wife of the insured person or the concubine who has lived with him as a wife during the five years preceding the illness, disability or accident, provided that both have, during their life together, been free from all bonds of marriage; 2. The legitimate or acknowledged natural children of the insured who are under 16 years of age.

II

Field of Application

Art. 4. Social insurance as instituted by the present law covers the risks of sickness, maternity, and industrial accidents. However, the Council of Administration shall be authorized to introduce compulsory insurance by degrees, taking into account:

1. The possibility of registering the employers and workers to whom the insurance applies;

2. The possibility of collecting the contributions;

3. The possibility of effectively giving the services and benefits provided for in the present law.

A. Compulsory Insurance

Art. 5. The following persons must be insured when their basic monthly wage does not exceed 300 gourdes:

1. Employees of the State and of administrations controlled by the State (communes, banks, etc.).

2. Employees, workers, day-laborers in agricultural, industrial, and commercial enterprises, and in general all manual or intellectual workers who, for compensation, render their services to an employer under an express or implied work contract.

3. Teachers and supervisors in private teaching establishments.

4. Domestic personnel paid in kind or in cash.

Art. 6. The following persons shall be exempt from compulsory insurance:

1. A husband or wife who works solely for the account of his or her spouse, and children under 18 years of age who work for their father and mother, at home, without receiving a cash wage determined in advance.

2. Aliens employed in the embassies, legations, or consulates of their respective countries, and technicians whose stay in Haiti does not exceed one year.

3. Military personnel on active duty.

4. Clergymen serving in the ministry.

B. Optional Insurance

Art. 7. Insurance shall be optional for any employee or worker mentioned in Art. 4 above whose monthly wage exceeds 300 gourdes.

However, when the basic wage of an insured person exceeds 500 gourdes, solely the latter amount shall be considered in calculating contributions and benefits.

Art. 8. At the time of registering for optional insurance, the person concerned shall establish that he does not have any ailment which affects or may affect his ability to work.

Art. 9. By special regulations IDASH shall determine:

1. The conditions of voluntary continuation of the insurance of persons who cease to be subject to the obligation to be insured;

2. The age at which liability to compulsory insurance shall cease.

Art. 10. An insured person who is deprived of paid employment and ceases to be insured shall retain for 6 months his right to the allowances in kind of sickness and maternity insurance.

III

Organization and Operation

Art. 11. IDASH shall be managed by a Council of Administration composed of 9 members, as follows:

3 representatives of the Government from the Departments of Labor, Public Health, and Finances, respectively;

3 representatives of the employers;

3 representatives of the workers.

Art. 12. The representatives of the Government shall be chosen directly by the President of the Republic from among the members of the technical personnel of the afore-mentioned departments.

The representatives of the employers and the workers shall also be appointed by the President of the Republic from two lists of nine members each submitted by the existing employer organizations and the labor union federations and legally recognized nonfederated labor unions. The same lists may also be used in the cases provided for in Art. 15 of the present law.

The members of the Council of Administration shall be irremovable; their term of office shall be for 3 years and may be renewed indefinitely.

Art. 13. The members of the Council of Administration shall not simultaneously hold the office of Director or Assistant Director of IDASH.

The same prohibition shall apply to persons related to each other or to the Director or the Assistant Director of IDASH by blood or marriage up to the third degree inclusive.

Art. 14. The following shall automatically cease to serve on the Council of Administration:

1. Any member who for more than 1 year has been unable to perform his functions by reason of physical or mental disability or absence.

2. Any member who has submitted his resignation to the Council of Administration.

3. Any member who has been pronounced legally incompetent.

Art. 15. In the aforesaid cases as well as in case of death, the Council of Administration shall give notice of the vacancy to the President of the Republic, who shall appoint a successor within one month in the manner prescribed in Art. 12 of the present law.

The successor shall hold office until the expiration of the term of his predecessor.

Art. 16. The duties and responsibilities of the Council of Administration shall be as follows:

1. To elect from among its members each year a Chairman and a Vice Chairman who shall replace the Chairman in case of inability to act;

2. To appoint the Director and the Assistant Director of IDASH and to relieve them of their functions under the conditions prescribed by the present law;

3. To establish regulations determining the duties and powers of the Director; these regulations shall contain a list of questions the solution of which shall be exclusively within the province of the Council of Administration;

4. To control the operations of the Director, approve the reports, general balance-sheets, and budgets of expenses which he presents to it, and to make such changes and additions therein as are deemed necessary;

5. To establish all regulations necessary for the functioning of IDASH.

Art. 17. The Council of Administration shall meet at least once a year and whenever convened at the instance of its Chairman or the request of three of its members or the Director of IDASH.

Art. 18. The Council of Administration may appoint one or more Assistant Directors to aid the Director of IDASH in his task, according to the needs of the institution. The choice of Directors and Assistant Directors may be made only by a two-thirds majority of the members of the Council of Administration.

Art. 19. The Director of IDASH shall handle all the affairs of the institution except those which, by reason of their importance, require the intervention or approval of the Council of Administration

and are provided for in the regulations fixing the powers and duties of the Council. He shall annually present to the Council of Administration the balance-sheet and the report on the preceding fiscal year, as well as the work program for the following fiscal year. The Director shall not be relieved of his functions except for serious reasons following an investigation during which his defense shall be heard.

Art. 20. The Director of IDASH shall have the following powers in particular:

1. To manage and administer the institution;

2. To appoint and dismiss members of the personnel of IDASH;

3. To prepare the annual budget and to authorize expenditures under the budget approved during the year;

4. To make arrangements with doctors, hospitals, etc.;

5. To perform all acts susceptible of ensuring the prosperity of the institution;

6. To attend the meetings of the Council of Administration, at which he shall act in an advisory capacity.

IV

Financial Resources and Organization

Art. 21. The resources of IDASH shall be constituted by:

1. Contributions paid by employers and workers under the present law;

2. Interest and income of all kinds produced by the movable and immovable property of IDASH;

3. Donations, legacies, and subsidies in favor of IDASH;

4. All other receipts which may be provided for by the laws and regulations in favor of IDASH;

5. The proceeds of the fines imposed by IDASH;

6. A subsidy, the amount of which is to be determined later, which the State shall grant to IDASH.

Art. 22. The insurance contributions and cash benefits shall be computed according to the basic wage of the insured. IDASH may group the insured in a limited number of wage classes with an "insured wage" in each class.

Art. 23. If the worker receives food or lodging in addition to a cash wage, his wage shall be considered as increased by 25 percent; if he receives both food and lodging, his wage shall be considered as increased by 50 percent.

Art. 24. For compulsory insurance in case of sickness and maternity the rate of contribution shall be fixed at 8 percent (8%) of the basic wage of the insured person, one-half of this amount being a charge on the employer.

If the basic monthly wage of the insured person is less than 110 gourdes, the contribution shall be entirely a charge on the employer.

Art. 25. For optional insurance the rate of contribution shall be fixed at 6 percent of the basic wage.

This contribution shall be paid directly by the insured in the manner prescribed by IDASH.

Art. 26. Insured persons who desire to extend to their dependents the benefits of medical and pharmaceutical aid mentioned in Articles 52 and 60 of the present law shall pay a supplementary contribution equal to 5 percent of their basic wage. This contribution shall be entirely a charge on them.

Art. 27. Employers, after registration and after regularly registering their employees and workers subject to compulsory insurance in the manner and within the time-limits prescribed by the regulations of IDASH, shall pay their contributions to this institution by special insurance stamps which shall be affixed in the individual insurance booklets, or in cash, in the latter case presenting their pay books.

Art. 28. It shall not be necessary to register a compulsorily insured person who enters the service of a new employer if his former employer registered him and if he gives proof thereof by presenting his insurance booklet. In such case the new employer shall notify IDASH of the name and surname of the insured person and the number of his booklet.

Art. 29. All employers shall be obliged to keep their payrolls in the form to be prescribed by IDASH and to retain them for two years. IDASH may at any time have such pay sheets examined by its qualified inspectors.

In the event of failure of employers to keep regular payrolls and to retain them for the period specified above, IDASH may itself fix the amount of the contributions owed by employers in default, on the basis of previous contributions or any other information enabling it to determine an equitable amount. In the absence of any information, IDASH may fix the rate of contribution on the basis of the maximum compensation assumed to be paid for the employment in question.

Art. 30. Employers shall be responsible for the payment of contributions due from the "compulsorily insured persons" who work for them. In order to comply with this provision, employers shall, in paying wages, be authorized to deduct the contributions to be paid by the insured. In the event of their failing to do so in time, they may not deduct at one time more than 3 contributions due, payment of the others being their responsibility.

In case of delay in the payment of contributions, employers shall pay IDASH 12% interest annually on the unpaid amounts, in addition to the fine provided for in Art. 64 of the present law.

The obligation to pay the contributions shall prescribe after 5 years.

V

Insurance - Work Accidents

Art. 31. Insurance against industrial accidents shall be administered in a special section; it shall have separate accounting and its own resources.

Art. 32. The following shall not be considered as work accidents and shall not consequently give right to benefits:

1. Accidents occurring when a worker is in a state of intoxication;

2. Accidents which a worker deliberately causes;

3. Accidents resulting from a punishable misdemeanor, an attempt at suicide, or a brawl in which a worker voluntarily takes part.

The state of intoxication as well as the deliberate provocation and the voluntary participation provided for in paragraphs 1, 2 and 3 of the present article shall never be presumed and must clearly be established.

Art. 33. Insurance against industrial accidents shall extend to all employees and workers referred to in Art. 5 of the present law, without any distinction based on age or the amount of wage. The cost of this insurance shall be borne solely by the employer.

Art. 34. The initial rate of the contribution of employers for industrial accident insurance shall be fixed at 1 percent of the basic wage of the employees and workers. IDASH may change this rate with due regard for the risks inherent in the enterprises considered and the security measures taken by the employers.

Art. 35. In case of industrial accidents, the insured shall be entitled to medical, surgical and pharmaceutical aid, hospitalization, medicines, and the necessary prosthetic and orthopedic appliances.

Medical aid shall not cease until the injured person has completely recovered. The extent of such aid shall be determined by the regulations of the Council of Administration.

Art. 36. In case of disability, the insured victim of an industrial accident shall be entitled to daily compensation beginning on the fourth day after the accident and continuing during the period of his disability.

Art. 37. All industrial accidents causing a disability of one day or more shall be reported to IDASH in accordance with the procedure prescribed by IDASH.

Art. 38. In case of disability, the insured person shall be entitled until the end of medical aid to a cash allowance equal to 50 percent of his basic wage for each work day. This allowance shall be increased for insured persons with dependents at the rate of 10 percent of the valuation base for each dependent and up to 70 percent of the insured wage.

Art. 39. In case of total permanent disability the insured person shall be entitled to a monthly pension equal to two-thirds of his wage; in case of permanent partial disability the insured person shall be entitled to a monthly pension which shall be in proportion to the degree of his disability.

Art. 40. The degree of disability shall be established according to the nature and seriousness of the injury. IDASH shall adopt a fixed scale containing the various injuries and the corresponding degrees of disability.

Art. 41. The pensions shall be paid in the same manner as wages, and the recipients shall, at the request of IDASH, submit to periodic reviews of their disability.

Art. 42. If the disability is less than 25 percent, IDASH shall pay to the injured person, according to the fixed scale, instead of the pension, a single cash indemnity the amount of which shall be determined by the Council of Administration.

Art. 43. In case of disabilities of 25 percent or more, IDASH may also pay a cash indemnity instead of the pension. However, this form of compensation shall not apply to victims of accidents until the disability is stabilized.

Art. 44. When an accident results in the death of the insured person, the following benefits shall be accorded:

1. A funeral benefit in an amount equivalent to one month of the basic wage or to the basic wage of the last four weeks, to the dependents of the insured;

2. A pension equivalent to 50 percent of the pension to which the insured would have been entitled in case of permanent total disability, to the widow of the insured;

3. In the absence of a legitimate spouse, 30 percent of this same pension to the woman who lived with the insured, as a wife during the five consecutive years immediately preceding his death, provided that both were during their life together, free from all bonds of marriage;

4. A pension equivalent to 20 percent of the pension to which the insured would have been entitled in case of permanent total disability, to each of the legitimate or acknowledged natural children if they are under 16 years of age, the right to such pension being lost when a beneficiary reaches this age.

Art. 45. A woman with a widow's pension who contracts marriage shall lose her right to the pension.

Art. 46. An orphan's allowance, separately or together with that of the mother, shall not exceed 80 percent of the pension to which the insured would have been entitled in case of permanent total disability.

Art. 47. An employer who has insured the workers in his employ pursuant to the regulations of the present law shall be relieved of the obligations contracted by him in case of industrial accidents, by virtue of the provisions of the Civil Code.

Art. 48. If it is proved that an employer personally provoked an accident or that he was the cause thereof through serious fault or obvious negligence, IDASH may require him to reimburse in full the benefits paid and the expenses in cash and in kind incurred in compensation for the accident.

Art. 49. When the insured, in the course of work, suffers an accident under such circumstances as to result in a right to take action against a person other than his employer, IDASH shall automatically be subrogated to the rights of the victim or his dependents or heirs in the exercise of such right of action.

Such subrogation shall not relieve IDASH of its obligations under Articles 35, 38 and 39 of the present law. The amount of the damages obtained from the responsible third person shall, after deduction of the court costs and the compensation granted by IDASH, be paid to the insured person or his dependents.

Art. 50. State employees or others who are victims of an industrial accident shall not be entitled to the cash benefits of insurance as long as they retain their wage.

If they receive only part of their wage and the amount thereof is less than that of the cash benefits to which they are entitled, IDASH shall pay the difference.

VI

Sickness Insurance

Art. 51. In case of sickness the insured shall be entitled to medical and pharmaceutical aid, hospitalization, and to compensation in cash.

The rules of procedure of IDASH shall determine the appropriate measures for avoiding abuses.

Art. 52. The dependents of insured persons who have paid the contribution provided for in Art. 26 of the present law shall likewise be entitled to medical and pharmaceutical aid and to hospitalization.

Art. 53. Medical aid shall be given to the insured from the beginning of sickness, for a maximum period of 27 weeks, and to their dependents for a period of 13 weeks.

However, IDASH may extend this period to one year in special cases such as prolonged convalescences.

Art. 54. The insured shall receive medical care in the special dispensaries of IDASH insofar as possible, and those whose condition requires hospitalization shall be placed in semi-private rooms of the public hospitals or in the private hospitals with which IDASH has concluded a contract for such service, or in hospitals belonging to IDASH.

Insured persons desiring to be hospitalized in private rooms shall themselves pay the difference between the hospital rate for a private room and that of a semi-private room.

Art. 55. In case of sickness resulting in disability, an insured person shall be entitled to a cash allowance equal to 50 percent of his basic wage, for each work day. To be entitled to such allowance, the person concerned must have been insured for six months and the insurance contribution must have been withheld for seventeen weeks. The insured person shall be entitled to these benefits beginning on the 5th day of his sickness, and for the duration of his disability. However, in case of relapse, no further waiting period shall be required.

Art. 56. The sickness allowance shall be increased for an insured person with dependents at the rate of 10 percent of the valuation base for each dependent and up to 70 percent of the insured wage. The names of these dependents must be entered on the insurance card of the person concerned.

Art. 57. The insured shall be deprived of the cash allowance provided for in the preceding articles if it is well established that he deliberately provoked the sickness.

Payment of benefits shall be suspended:

1. When the insured person receiving them performs work for which he is paid;

2. When he refuses to carry out the instructions of the doctor attending him.

Art. 58. Insured persons shall not be entitled to cash benefits as long as they receive a wage. If they receive only part of their wage, the amount thereof shall be deducted from the amount of the allowances provided for in the present law.

VII

Death Allowance

Art. 59. When sickness results in the death of an insured person, a death benefit equivalent to 3 months' basic wage or the basic wage of the last 13 weeks shall be paid to his beneficiaries.

This allowance shall be paid to the surviving spouse or the descendants, or in the absence thereof, to the ascendants who were supported by the insured at the time of his death.

The death benefit shall be paid only to beneficiaries of insured persons who have been registered with IDASH for at least one year and have contributed for at least 240 days.

VIII

Maternity Insurance

Art. 60. For pregnancy and confinement IDASH shall grant the insured worker medical, obstetrical and pharmaceutical aid; and hospitalization at the explicit request of the doctor in attendance.

Art. 61. The cash benefits of maternity insurance shall be the same as those of sickness insurance. They shall be accorded to the insured regardless of the legal status of the child.

Miscarriages and the results thereof shall give rise to sickness benefits. Criminal abortion shall not entitle the insured person to cash benefits.

Art. 62. Compensation shall be payable only for the 42 days preceding or following confinement. Payment of the compensation shall be suspended if during this period the insured person receives other benefits in the form of a sickness allowance or if she continues to receive a wage.

However, the insured person shall not be entitled to compensation for the days during which she performed paid work other than domestic work consistent with her condition.

IX

Penalties and Regulations Governing Disputes

Art. 63. A fine of 100 to 1,000 gourdes shall be imposed on any employer who:

1. Fails to report to IDASH his enterprise and the number of his employees covered by insurance, or who makes tardy or incorrect declarations.

2. Neglects to notify IDASH of an accident involving one of his workers.

3. Neglects to make out regularly and to retain for submission to IDASH when necessary, the pay sheets and the register of insured persons in conformity with the provisions of Art. 29 of the present law.

4. Neglects to keep the insurance cards or booklets and to affix thereto insurance stamps for each of his employees;

5. Neglects, without a valid excuse, to give the inspectors of IDASH the information requested, or gives false information.

The same fine shall be imposed on anyone who prevents the representatives of IDASH from making inspections in connection with insurance.

Art. 64. If a contribution is not paid at the required time, the employer in default shall pay a fine amounting to 10 percent of the amount unpaid for each month or fraction thereof in arrears.

Art. 65. Any employer who has violated the provision in the last part of Art. 32 stipulating that the cost of accident insurance shall be borne by the employer, or who has deducted from an insured person's wage amounts exceeding the share provided for by law shall be punished by a fine of 50 gourdes. This fine shall be imposed as often as there are workers or employees affected by the violation, but the total fines so imposed in a single case shall not exceed 1,000 gourdes. Furthermore, the employer shall be required to reimburse his workers or employees for all amounts illegally deducted.

Art. 66. Whenever an enterprise passes from one employer to another, the former employer shall, before the date on which IDASH is

given written notice of the change, be jointly responsible with the new employer for the discharge of the obligations deriving from the present law, for one year, after which all responsibilities shall devolve upon the new employer.

For the purposes of the present law, a change in the employers directing an enterprise shall be deemed to have occurred whenever one person acquires all or the greater part of the property of the former employer and uses it for the same enterprise.

Art. 67. Insured persons or their beneficiaries who continue to draw cash benefits after a cause for suspension or cancellation has occurred shall repay the amounts illegally drawn with interest at 12 percent a year, without prejudice to the penalties provided for in the criminal law.

Art. 68. Insured persons or their beneficiaries who obtain insurance benefits by simulation shall likewise be required to return the benefits illegally obtained and, in addition, to pay a fine ranging from 5 to 100 gourdes.

Art. 69. Violations of the present law for which no special penalty is provided shall be punished by fines ranging from 25 to 500 gourdes.

Art. 70. Violations of the present law shall be declared in reports prepared by the representatives of IDASH in the form prescribed by the regulations.

Art. 71. The fines provided for in the present law shall be applied administratively by the Director of IDASH on the basis of the report of the violation. The penalties imposed by IDASH shall be enforceable according to the same procedure as that used for the payment of State taxes.

Art. 72. To be admissible to file a complaint against a fine imposed by the Director of IDASH, the person concerned must first furnish proof of having paid the fine in full.

The claim must be filed within a maximum of 5 days, aside from the time allowed for distance, from the date of notification of the imposing of the fine. It shall be presented before the civil court having jurisdiction over the employer and shall be judged as a summary proceeding.

Art. 73. For remedies against any decision made by IDASH with respect to the obligation to be insured, the amount of contributions,

the rights of the insured, benefits and the amounts thereof and in cases of disagreement between employer and insured, the persons concerned may appeal to the civil court having jurisdiction over the employer. The appeal shall not stay the effect of the decision.

X

Investments

Art. 74. IDASH shall hold as available funds only the amounts necessary for its immediate needs; the remainder of its receipts shall be converted into investments.

Art. 75. The funds of IDASH shall be invested under the best conditions of security and interest yield, preference being given under equal conditions to investments presenting the greatest social utility.

These investments must be made in such a way that the average return is not less than the rate of interest serving as the basis for actuarial calculations. IDASH shall make its investments according to the plans drawn up by the Director with the approval of the Council of Administration.

These plans shall relate to a limited and reasonably fixed period; they shall contain the general lines and limitative percentages for each category of investment.

Art. 76. The funds of IDASH shall be used in particular for:

1. The general expenses of administration;

2. The payment of benefits;

3. The acquisition, construction, and maintenance of hospitals, sanatoriums, clinics, maternity homes, and other buildings intended for the use of the Administration;

4. The organization of national workshops and enterprises established on an income-producing level;

5. Loans and mortgages especially for low-cost housing or workers' settlements;

6. Interest-bearing loans adequately guaranteed according to the conditions determined by special regulations, to private welfare organizations (hospitals, asylums, etc.) and producers' cooperatives.

The annual proceeds from the utilization of investment capital shall serve to improve the health and working conditions of the workers, according to the plans prepared by the Department of Labor.

XI

General Provisions

Art. 77. The recipients of benefits in cash or in kind shall be obliged to comply with the regulations adopted to ensure the execution of the present law.

Any violation of the provisions of the present law shall result in suspension of the benefits allowed under the insurance system.

Art. 78. Benefits shall likewise be suspended if the recipient goes to a foreign country, unless there is an agreement between him and IDASH as to the duration of his absence.

Members of the family of an insured person shall not be entitled to compensation if they do not reside in Haiti.

Art. 79. If, after an allowance has been fully paid to one or more beneficiaries of the insured person, others present themselves and, give proof of equal or superior rights, the injured beneficiaries shall have no claim whatever on IDASH, but only on those who enjoyed the benefits illegally or had only a limited right to them.

In case of a periodic allowance, the necessary arrangements for future payments shall be made by IDASH, but it shall incur no responsibility with regard to payments already made.

Art. 80. IDASH may revise the amount of benefits as a result of inaccuracies in the data which served as the basis of calculation in the case of pensions and death benefits. If the purpose of the revision is to reduce the pension or withdraw the right to the pension, it shall not be retroactive with regard to pension already paid, unless the granting thereof was based on an illegal claim or false declarations, in which case full restitution shall be required.

Art. 81. Cash benefits paid to the insured shall be non-transferable and immune from attachment.

Art. 82. For the purposes of the present law, IDASH shall have the authority to inspect working places. The employers and workers shall facilitate the inspection in such a way that it may be quickly

and efficiently made. The judicial and police authorities shall provide any assistance requested by IDASH in order to exercise its functions under the best conditions.

Art. 83. The following advantages shall be accorded to the Social Insurance Institute of Haiti:

1. Exemption from taxes on movable and immovable property, except taxes relating to the prestation of public services exclusively (water taxes, telephones, etc.).

2. Exemption from customs duties on the goods or articles imported by IDASH solely for its own use;

3. Exemption from the use of stamped paper and from registry stamps and duties;

4. Immunity of its property, funds, and income from attachment.

Art. 84. The Director of IDASH shall each year publish as detailed a report as possible on the following items in particular:

(a) The total receipts collected;

(b) The use of the funds obtained;

(c) The profits realized;

(d) The number of persons subject to compulsory insurance according to branch of activity;

(e) Statistics on sickness and industrial accidents.

XII

Transitional Articles

Art. 85. The present law repeals decree-law No. 268 of May 17, 1943, creating the Social Insurance Fund. The liquidation of the said fund shall be entrusted to the Social Insurance Institute of Haiti (IDASH).

The net assets of the said Fund shall be transferred to IDASH for the formation of a working capital and guarantee fund and for the payment of any compensation claimed under decree-law No. 268.

Art. 86. In order to meet the expenses of establishment, IDASH is hereby authorized not to pay the benefits in cash or in kind provided for by the present law until 6 months from the date on which the institution commences to function.

Art. 87. The present law annuls all laws or provisions of laws and all decree-laws or provisions of decree-laws in conflict with it, and shall be executed by the Secretaries of State for Labor, Finance, National Economy, Commerce, Interior, and Justice, each in so far as he is concerned.

Done at the Chamber of Deputies, Port-au-Prince, October 7, 1949, the one hundred and forty-sixth year of Independence.

D. Michel, President ad interim
M. Maignan, F. Dufanal, Secretaries ad interim

Done at the Maison Nationale, Port-au-Prince, October 10, 1949, the one hundred and forty-sixth year of Independence

J. Belizaire, President
E. Elizée, B. Boisrond, Secretaries

IN THE NAME OF THE REPUBLIC

The President of the Republic hereby orders that the above law be stamped with the Seal of the Republic, printed, published, and executed.

Done at the Palais National, Port-au-Prince, October 15, 1949, the one hundred and forty-sixth year of Independence.

Dumarsais Estimé

By the President:

Dr. François Duvalier
Secretary of State for Public Health and Labor
Noé Fourcand, Jr.
Secretary of State for Finance and Commerce
Lucien Hibbert
Secretary of State for Agriculture and Economy
Louis Raymond
Secretary of State for the Interior, Justice, and National Defense
Dr. Vilfort Beauvoir
Secretary of State for Foreign Relations, Tourism, and Worship
Raymond Doret
Secretary of State for National Education
Pierre Nazon
Secretary of State for Public Works

Appendix B

Work Accidents and Compensation on Three Sisal Plantations

There are no general data on the frequency of work-connected accidents and injuries. However, the Bureau of Labor had some fragmentary data based upon the experience of some large employing establishments which make periodic or occasional monthly reports. The available data were compiled and tabulated for six large establishments; and they were supplemented by data collected from other sources for these employing units, or on the occasion of field visits. The data for three large sisal plantations (including office, factory and farm employees) are covered in the following notes.

Sisal Plantation A

The Department of Labor furnished some tabulations which summarize work accidents at this plantation (growing and processing sisal) for periods aggregating 14 months--7 months in the year 1949 (January-May and November-December, inclusive) and 7 months in the year 1950 (January-May and July-August, inclusive).

During the 14 months covered by the tabulations there were reported--

Total work accidents.....	152
Disabling (time loss).....	143
Fatal.....	7
Non-disabling (1d4).....	2

The fatal cases occurred to males whose ages were: 18, 35, 39, 45, 48, 58 and (1) unknown.

The sex distribution of these accidents was as follows--

Males.....	124
Females.....	10
Not recorded.....	18

Among the 143 non-fatal, disabling accidents there were altogether 1,933 days of incapacity, equal to 13.6 per case, and to 13.8 per case involving 1 or more days of disability. These disabling cases involved from 1 day up to 2 months of incapacity. They do not include accidents involving less than 1 day of incapacity. Their distribution by duration was as follows--

Duration	Cases	Total days of disability
0 days	2	---
1 day	1	1
2 days	2	4
3 days	2	6
4 days	---	---
5 days	---	---
6 days	---	---
7 days	---	---
8-14 days	73	730
15-21 days	43	658
22-28 days	12	264
29-30 days	5	150
2 months	2	120
Total	142	1,933
Unknown	3	(?)
All durations	145	1,933+

Days per case	13.6
Days per disability case	13.8

In the period to which the data apply, the average total employment was about 6,300 (including about 5,000 farm laborers). Thus, the reported accidents indicate the following approximate rates--

	Number per 1,000 employees per annum
Fatal accidents	0.95
Non-fatal (disabling) accidents	19.7
Days of disability	266

The plantation reports that it pays one-half wages during incapacity caused by work-accident until recovery or death. In fatal cases, various kinds of settlements are made, usually payment of about $1,000 in each case. With an average wage of about $27 per week, the cost of wage-loss benefits in 1949-50 was approximately as follows--

	Percent of payroll
Fatal accidents	less than 0.3
Non-fatal accidents	0.05
Total	less than 0.35

These figures do not include the costs of medical benefits which are quite extensive at this establishment. The plantation has hospital facilities (12-15 beds) available at a nearby town, and 2 clinics, 2 physicians, 2 nurses, and attendants on its own grounds; also, it uses the hospitals and physicians at a nearby public general hospital and in Port-au-Prince when cases need more extensive or more specialized care than can be furnished in its own facilities or nearby. Medical care (physician, etc. services, hospital or clinic care, medicines, etc.) are furnished free to employees--and largely free also to dependents, though the physicians may charge fees in non-work-connected cases.

Information was obtained to the effect that the total costs at this establishment were about $30,000 per year--of which about $22,000 was paid for medical, etc., services. The data on fatal and non-fatal accidents indicate (independently) payments of about $8,000 a year for wage-loss in work accidents. Thus, with a total payroll of about $30,000-$35,000 per week, total costs were about 1.6 percent of payroll.1/ Adjusted downward for services not directly resulting from work-accidents, the annual expenditures probably equal about 1.25 percent of payrolls.

Sisal Plantation B

The Department of Labor furnished tabulations showing 40 non-fatal work accidents at this plantation and processing factory during periods aggregating 10 months (5 in 1949 and 5 in 1950). Neither duration nor indemnification was recorded for many of the cases.

The management advises that, in work injury cases, it is the practice to pay full wages for 15 days, and then either full or 1/2 wages depending on the employee, number of dependents, etc. In fatal cases, a cash settlement is made ($500-$1,000 per case). For medical care, a new dispensary was under construction (October 1950); it is to have 4 beds. There is a dispensary on the farm, with a physician and nurses. About 90 percent of the accident cases go to a nearby public general hospital for treatment (the plantation has a room reserved at the hospital on an annual basis).

This plantation has about 2,200-2,500 employees (occasionally 3,000 or more). It spent (1949) about $14,000 for medical care, wage-loss payments, and death settlements. This equaled about 2 percent of total wages. But since this included a considerable amount of medical care for dependents, the total cost is in excess of the amount chargeable to work accidents and injuries. A deflated figure for these cases would be between 1 and 1.25 percent of payrolls.

1/ These calculations agree with the information supplied at the establishment (October 1950) that their estimated total cost for work-accidents and related medical services (including preventive services) has been about 1-2 percent of payroll in each of the last few years.

Sisal Plantation C

The Department's reports cover 29 non-fatal work accidents in the 9 months January-September 1949. Duration of incapacity (for 28 of the cases) was distributed as follows--

Duration	Cases
1 day	2
2 days	3
3 days	4
4 days	2
5 days	6
6 days	2
7 days	2
8 days	1
10 days	2
11 days	1
15 days	2
17 days	1

Indemnification was paid for a total of 170 days of incapacity (5.9 days per case), at the average rate of ₡3.65 per day. Aggregate indemnity payments were ₡620.50 ($124).

The plantation management advised (October 1950) that it usually has from 800-1,500 field workers, with the number rising as high as 3,000 on some days; and 600-700 office and factory workers. It pays all medical and hospital costs for work accidents and injuries until they are cleared up and discharged. It has a resident physician (full time), its own dispensary, and provides medicines, etc. It has an agreement for hospital care at a nearby public general hospital. It occasionally uses public wards but more often uses semi-private and private rooms at the hospital, depending on the employee's job. It pays full wages while the employee is receiving medical care. In fatal cases it would make appropriate cash settlement; but it has had none during the tenure of the present management. In non-work-connected cases, it may pay the cost of medical and hospital care. It pays full wages for 15 days in periods of sickness. The patient may, in addition, take his accumulated annual sick leave (up to 15 days). The combination of sick-pay and annual leave usually means full pay during sickness. If the patient is still sick after exhausting these periods, the management may continue to pay full or 1/2 wages.

Fragmentary data suggest that this plantation is incurring a cost of about 1 to 1.5 percent of payroll, possibly less, for work-connected accidents.

APPENDIX C

Appendix Tables 1-19

Appendix Table 1

Population of the Republic of Haiti
August 1950

Département	Arrondissements	Population	Total
North	1. Cap-Haitien	119,039	
	2. Trou	52,343	
	3. Gde Rivière du Nord	106,366	
	4. Vallières	43,101	
	5. Fort-Liberté	64,353	
	6. Plaissance	57,244	
	7. Limbé	40,053	
	8. Borgne	57,697	540,196
Northwest	1. Port-de-Paix	115,850	
	2. Mole St. Nicolas	52,496	168,346
Artibonite	1. Gonaives	165,635	
	2. St.Marc	96,894	
	3. Marmelade	75,995	
	4. Hinche	100,503	
	5. Dessalines	129,639	568,666
West	1. Port-au-Prince	424,168	
	2. Léogane	211,163	
	3. Jacmel	246,405	
	4. Saltrou	56,926	
	5. Mirebalais	114,255	
	6. Lascahobas	41,593	1,094,510
South	1. Les Cayes	195,593	
	2. Aquin	123,907	
	3. Coteaux	56,248	
	4. Grand Anse	175,230	
	5. Tiburon	47,031	
	6. Nippes	142,162	740,171
	Total.....		3,111,973
	Less 84 out of the country		84
	Adjusted total.....		3,111,889

Source: Recensement de la République d'Haiti. Bureau de Recensement, Département de l'Economie Nationale.

Appendix Table 2

Some Characteristics of Employees in Private Employments in 9 Provincial Towns

(Based on a special survey, April 15, 1950)

	Outside Port-au-Prince																	
	Fort-Liberte		Cap-Haitien		Port-de-Paix 1/		Gonaives		St. Marc		Jacmel		Petit-Goave		Jeremie		Les Cayes	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total employees.....	104	100.0	392	100.0	31	100.0	186	100.0	354	100.0	99	100.0	55	100.0	201	100.0	176	100.0
By sex:																		
Male.....	92	88.5	295	75.3	26	83.9	162	87.1	351	99.2	73	73.7	34	61.8	132	65.7	118	67.0
Female.....	12	11.5	97	24.7	5	16.1	24	12.9	3	.8	26	26.3	21	38.2	69	34.3	57	32.4
Not reported.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	.6
By marital status:																		
Married.....	34	32.7	83	21.2	13	41.9	44	23.7	75	21.2	43	43.4	11	20.0	61	30.3	50	28.4
Place.....	34	32.7	93	23.7	0	0	78	41.9	234	66.1	13	13.1	20	36.4	42	20.9	28	15.9
Living alone.....	36	34.6	216	55.1	17	54.8	63	33.9	32	9.0	31	31.3	24	43.6	98	48.8	98	55.7
Not reported.....	0	0	0	0	1	3.2	1	.5	13	3.7	12	12.1	0	0	0	0	0	0
By employment:																		
Monthly.....	14	13.5	221	56.4	31	100.0	114	61.3	354	100.0	99	100.0	29	52.7	152	75.6	164	93.2
Weekly.....	87	83.7	169	43.1	0	0	69	37.1	0	0	0	0	26	47.3	0	0	1	.6
Not specified.....	3	2.9	2	.5	0	0	3	1.6	0	0	0	0	0	0	49	24.4	11	6.2
Dependent children:																		
Total number.....	106	100.0	310	100.0	75	100.0	231	100.0	412	100.0	120	100.0	77	100.0	204	100.0	192	100.0
Number under 16 years of age.	100	94.3	291	93.9	63	84.0	206	89.2	391	94.9	107	89.2	69	89.6	148	72.5	157	81.8
Employees reporting incapacitating sickness (in last 12 months)	21	20.2	111	28.3	10	32.3	79	42.5	143	40.4	20	20.2	0	0	27	13.4	24	13.6

1/ The survey covered 76 employees; but only 31 were covered by this tabulation.

Appendix Table 3

Employees in Private Employment by Size of Establishment

(Based on a special survey, April 15, 1950) 1/

Size of establishment (number of employees)	Port-au-Prince		Port de Paix		Cap-Haitien		Fort Liberte		Cayes		Jeremie		Gonaives		Jacmel		Petit Goave	
	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees	Number of establishments	Number of employees
1.....	93	93	7	7	9	9	11	11	8	8	8	8	6	6	1	1	10	10
2.....	82	164	9	18	14	28	4	8	5	10	6	12	7	14	5	10	5	10
3.....	51	153	5	15	8	24	2	6	7	21	5	15	7	21	7	21	2	6
4.....	41	164	6	24	6	24	2	8	2	8	5	20	1	4	2	8	2	8
5.....	23	115	---	---	2	10	---	---	2	10	1	5	2	10	---	---	1	5
6.....	27	162	1	6	3	18	---	---	1	6	2	12	---	---	---	---	1	6
7.....	9	63	---	---	4	28	---	---	3	21	2	14	---	---	1	7	---	---
8-10.....	37	333	1	8	5	45	---	---	3	27	2	18	1	9	1	9	1	9
11-15.....	25	325	---	---	5	66	---	---	---	---	2	26	2	26	2	26	---	---
16-25.....	17	351	---	---	3	59	---	---	---	---	4	77	2	36	1	18	1	23
26-49.....	7	231	---	---	---	---	3	78	---	---	---	---	2	57	---	---	---	---
50-99.....	2	120	---	---	1	76	---	---	---	---	---	---	---	---	---	---	---	---
100-199.....	2	293	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
Total.....	416	2,567	29	76	60	386	22	111	31	111	37	207	30	183	20	100	23	77

1/ Includes regular and administrative employees only.

Appendix Table 4

Average Earnings of Employees in Private Employment with Monthly Salaries of More Than G$500

(Based on a special survey, April 15, 1950)

City	Number	Average (G$)
Cap-Haitien	7	760.71
Fort Liberté	5	610.00
Limonade	1	625.00
Port-de-Paix	1	625.00
Gonaives	3	666.67
Port-au-Prince	140	824.11
Jacmel	1	1,000.00
Petit Goave	1	750.00
Jérémie	1	750.00
Les Cayes	2	812.50
All cities	162	809.41

Appendix Table 5

Employees Covered by the First Survey
of Public Employment: 1950

Office	Number of employees
Imprimerie de l'Etat	88
Finances I	185
Régie du Tabac	56
Loterie Etat Haitien	29
Archives	32
Finances II	41
Téléphones	167
Economie Nationale	28
Tourisme	28
Justice	18
Cultes	7
Commerce	22
All	701

Appendix Table 6

Employees Covered by the Second Survey of Public Employment: 1950-51 1/

Ministry	Number of employees 1/ by monthly salary		
	Total	₲300 and less	₲301-500
Agriculture	314	241	73
Relations Extérieures	54	40	14
Cultes	5	4	1
Commerce	132	112	20
Economie Nationale	24	11	13
Justice	826	806	20
Travail	75	49	26
Education Nationale	2,242	2,114	128
Santé Publique	724	619	105
Finances	157	29	128
Intérieur	132	107	25
Travaux Publics	114	49	65
All Ministries	4,799	4,181	618

1/ Potentially subject to compulsory insurance if the limit is fixed at ₲500 per month; excludes employees earning more than ₲500 per month.

Appendix Table 7

Employees Covered by the Second Survey of
Public Employment: 1950-51 1/

Ministry	Number of employees 1/ by département					
	Total	North	Northwest	Artibonite	West	South
Agriculture	314	15	13	32	223	31
Relations Extérieures	54	3			51	
Cultes	5				5	
Commerce	132	8	4	8	99	13
Economie Nationale	24				24	
Justice	826	196	55	122	239	214
Travail	75	9	4	7	47	8
Education Nationale	2,242	356	104	316	1,145	321
Santé Publique	724	42	15	56	564	47
Finances	157				157	
Intérieur	132	9	3	12	96	12
Travaux Publics	114	8	5	13	78	10
All Ministries	4,799	646	203	566	2,728	656

1/ Potentially subject to compulsory insurance if the limit is fixed at G$500 per month; excludes employees earning more than G$500 per month.

Appendix Table 8

Employees and Earnings in Public Employment: 1949-51

Haiti

(Third Survey of Public Employment)

Ministry and office	Number of employees by monthly salary			
	Total	₲300 and less	₲301-500	₲501 and more
Education Nationale	2,333	2,114 1/	165 2/	54 2/
Justice	935	806 1/	22 2/	107 2/
Santé Publique	862	619 1/	117 2/	126 2/
Intérieur				
Bureau	208	50 1/	40 2/	118 2/
Préfecture de la République	69	52 1/	---	17 2/
Finances				
Bureau	40	16 3/	13 3/	11 3/
Département Fiscal	185	79 3/	30 3/	76 3/
Dept. Comm. (B.N.R.H.)	134	48 3/	65 3/	21 3/
Régie du Tabac	47	21 3/	14 3/	12 3/
Loterie Etat Haitien	29	17 3/	6 3/	6 3/
Archives Nationales	32	30 3/	1 3/	1 3/
Imprimerie de l'Etat	88	66 3/	10 3/	12 3/
Adm. Gle. des Contributions	326	120 2/	119 2/	87 2/
Agriculture	394	241 1/	73 2/	80 2/
Commerce				
Bureau	22	12 3/	2 3/	8 3/
Adm. Gle. des Postes	234	208 1/	18 2/	8 2/
Relations Extérieures				
Bureau	49	26 3/	8 3/	15 3/
Tourisme	28	14 3/	11 3/	3 3/
Travail	86	49 1/	26 2/	11 2/
Cultes	7	4 3/	1 3/	2 3/
Economie Nationale				
Bureau	28	12 3/	11 3/	5 3/
Bureau Recensement	96	60 3/	30 3/	6 3/
Travaux Publics				
Bureau	197	64 1/	70 2/	63 2/
Télégraphes Terrestres	167	133 3/	24 3/	10 3/
Service Hydraulique	60	32 1/	17 2/	11 2/
Total	6,656	4,893	893	870

1/ Source: Budget 1949-50.
2/ Source: Budget 1950-51.
3/ Source: Special inquiry.

Appendix Table 9

Employees and Earnings in Public Employment: 1949-51

Port-au-Prince

(Third Survey of Public Employment)

Ministry and office	Number of employees by monthly salary			
	Total	₲300 and less	₲301-500	₲501 and more
Education Nationale	730	551 1/	164 1/	15 1/
Justice	124	74 1/	8 1/	42 1/
Santé Publique	553	434 2/	81 1/	38 1/
Intérieur				
Bureau	106	58 2/	42 1/	6 1/
Préfecture de Port-au-Prince	5	4 2/	---	1 1/
Finances				
Bureau	40	16 3/	13 3/	11 3/
Département Fiscal	121	45 3/	20 3/	56 3/
Dept. Commercial (B.N.R.H.)	134	48 3/	65 3/	21 3/
Régie du Tabac	47	21 3/	14 3/	12 3/
Loterie de l'Etat Haitien	29	17 3/	6 3/	6 3/
Archives Nationales	32	30 3/	1 3/	1 3/
Imprimerie de l'Etat	88	66 3/	10 3/	12 3/
Contributions	215	52 2/	87 2/	76 2/
Agriculture	190	97 1/	39 1/	54 1/
Commerce				
Bureau	22	12 3/	2 3/	8 3/
Administration des Postes	63	37 2/	18 1/	8 1/
Relations Extérieures				
Bureau	49	26 3/	8 3/	15 3/
Office National du Tourisme	18	8 3/	8 3/	2 3/
Département du Travail	58	26 1/	19 1/	13 1/
Economie Nationale				
Bureau	28	12 3/	11 3/	5 3/
Bureau Recensement	96	60 3/	30 3/	6 3/
Travaux Publics				
Bureau	117	40 2/	28 1/	49 1/
Télégràphes	167	133 3/	24 3/	10 3/
Service Hydraulique	49	21 1/	17 1/	11 1/
Cultes	7	4 3/	1 3/	2 3/
Total	3,088	1,892	716	480

1/ Source: Budget 1950-51.
2/ Source: Budget 1949-50.
3/ Source: Special inquiry.

Appendix Table 10

Geographical Distribution of Physicians, by Employment
(April 1950)

Départements and localities 1/	Public Health Department	Institute of Inter-American Affairs	Army	Industry	Private practice	Total
North	14	2	3	3	7	29
Cap Haitien	13	---	2	---	6	21
Dondon	---	1	---	---	---	1
Gd. Riv. Nord	---	---	---	---	1	1
Limbé	1	---	---	---	---	1
Plt. Dauphin	---	---	---	3	---	3
Pilate	---	1	---	---	---	1
Ouanaminthe	---	---	1	---	---	1
Northwest	3	---	1	---	3	7
Port de Paix	3	---	1	---	3	7
Artibonite	12	2	3	2	10	29
Gonaives	5	---	1	---	5	11
Hinche	4	---	1	---	1	6
St. Marc	3	---	1	---	2	6
Mont Rouis	---	---	---	1	---	1
Pte. Riv. Art	---	---	---	---	2	2
Verettes	---	---	---	1	---	1
Perodo	---	2	---	---	---	2
West	87	5	11	2	107	212
Port-au-Prince	78	5	9	2	97	191
Léogane	1	---	---	---	---	1
Pétion Ville	---	---	---	---	3	3
Arcahaie	---	---	---	---	1	1
Belladère	2	---	---	---	---	2
Jacmel	3	---	1	---	3	7
Bainet	---	---	---	---	1	1
Mirebalais	---	---	---	---	1	1
Petit Goave	3	---	1	---	1	5
South	9	4	2	---	7	22
Cayes	5	---	1	---	3	9
Cavaillon	---	2	---	---	---	2
Pt. a Piment	---	---	---	---	1	1
Jérémie	3	---	1	---	2	6
Moron	---	2	---	---	---	2
Anse a Veau	1	---	---	---	---	1
Miragoane	---	---	---	---	1	1
Total	2/ 125	13	20	7	2/ 134	299

1/ Underscored localities have hospitals.

2/ In other tabulations, 17 physicians who are here classified as primarily in private practice are classified in part- or full-time employment in the Department of Public Health.

Appendix Table 11

Physicians Employed (Full Time or Part Time) in Hospitals and Health Centers

(April 1950)

Departement and hospital town	Hospitals	Number employed	Health centers	Number employed	Private hospitals	Number employed
West						
Port-au-Prince....	H. General	38	Centre de Sante	5	Asile Francais	2
	Sanatorium (Tb)	6	La Saline	5	St. Fr. Sales	1
	H. Isaie Jeanty	7	Portail Leogane	4	Cl. Not. Dame	1
					Cl. Roy Assad	3
					Cl. Castera	2
Belladere.....	Hopital	2	---	---	---	---
Jacmel.....	St. Michel	3	---	---	---	---
Petit Goave.....	Notre Dame	3	---	---	---	---
N. West						
Port-de-Paix.....	Immaculee	3	---	---	---	---
North						
Cap-Haitien.....	Justinien	10	La Fossette	3	---	---
South						
Les Cayes.....	Hopital	5	---	---	---	---
Jeremie.....	Hopital	3	---	---	---	---
Artibonite						
Gonaives.....	Hopital	5	---	---	--	---
Hinche.....	Hopital	4	---	---	---	---
St. Marc.....	Hopital	3	---	---	---	---
Total.....		92	---	17	---	9

Appendix Table 12

Geographical Distribution of 86 Physicians by Specialization of Practice

(April 1950)

Departements and districts	Obstetrics and gynecology	General surgery	Pediatrics	Eye, ear, nose, and throat	Urology	Tuberculosis	Orthopedics	Radiology	Dermatology	Total
North										
Cap-Haitien.....	2	3	1	1	1	---	---	---	---	8
Northwest										
Port-de-Paix.....	---	1	---	---	---	---	---	---	---	1
Artibonite										
Gonaives.....	---	2	---	---	---	---	---	---	---	2
Hinche.....	---	1	---	---	---	---	---	---	---	1
St. Marc.....	---	1	---	---	---	---	---	---	---	1
West										
Port-au-Prince....	20	6	10	8	6	6	4	4	2	66
Belladere.....	---	1	---	---	---	---	---	---	---	1
Jacmel.....	---	1	---	---	---	---	---	---	---	1
Petit Goave.....	---	1	---	---	---	---	---	---	---	1
South										
Les Cayes.....	1	2	---	---	---	---	---	---	---	3
Jeremie.....	---	1	---	---	---	---	---	---	---	1
Total.....	23	20	11	9	7	6	4	4	2	86

Appendix Table 13

Geographical Distribution of Dentists

Département and city	Total	Private practice	Employed by Department of Public Health
North			
Cap-Haitien.....	6	4	2
Northwest			
Port-de-Paix.....	3	3	
Artibonite			
Gonaives.....	3	2	1
St.Marc.....	2	2	
Hinche.....	2	1	1
West			
Port-au-Prince.....	45	44	1
Léogane.....	1	1	
Jacmel.....	3	2	1
South			
Miragoane.....	1	1	
Jérémie.....	4	3	1
Les Cayes.....	4	3	1
All.....	74	66	8

Appendix Table 14

Geographical Distribution of Pharmacists

Département and city	Number of pharmacists		Persons per pharmacist
North			
Cap-Haitien	6		90,033
Northwest			
Port-de-Paix	2		84,173
Artibonite			
Gonaives	3		60,543
Hinche	0		---
St. Marc	4)	5	44,507
Petite Riv. Art.	1)		
West			
Belladère	0		---
Port-au-Prince	42)		
Pétionville	1)		
Croix des Bouquets	1)	46	10,456
Arcahaie	1)		
Gressier	1)		
Jacmel	3)		
Grand-Gosier	1)		
Marigot	1)	6	41,067
Bainet	1)		
Petit Goave	2		176,662
South			
Jérémie	3)	5	44,452
Miragoane	2)		
Les Cayes	6)	8	46,968
Aquin	2)		
All	83		37,494

Appendix Table 15

Distribution, by Hospital Districts, of Personnel in the Division of Preventive Medicine, Department of Public Health

(Mid-1950)

Hospital district	Total	Physicians	Dentists	Pharmacists	Public health nurses and aides	Laboratory technicians	Others
All districts.....	206	46	8	1	101	12	38
Cap-Haitien.....	30	4	1	1	18	1	5
Port-de-Paix.....	8	2	---	---	6	---	---
Gonaives.....	10	3	---	---	5	1	1
Hinche.....	9	1	---	---	6	1	1
St. Marc.....	9	2	---	---	7	---	---
Belladere.....	8	1	---	---	5	1	1
Port-au-Prince.....	79	22	6	---	22	5	24
Jacmel.....	10	3	---	---	4	1	2
Petit Goave.....	12	3	---	---	7	---	2
Jeremie.....	8	3	---	---	5	---	---
Les Cayes.....	23	2	1	---	16	2	2

Appendix Table 16

Public Health Personnel (Division of Preventive Medicine) in Port-au-Prince

(Departmental offices, health centers, etc.)

Service	Physi-cians	Dentists	Pharma-cists	Public health nurses	Hospital nurses	Auxili-aries	Clinics	Statis-ticians	Sanitary office inspectors	Laboratory technicians	Others	Total
Div. of Preventive Medicine	9	8	---	---	1	2	7	5	9	---	3	39
Centre de Sante.....	5	1	1	4	6	3	4	1	---	1	3	29
La Saline.....	5	2	1	9	3	3	2	---	---	2	3	30
Portail Leogane.....	4	---	---	3	---	---	---	---	---	---	---	7
La Fossette.....	3	1	1	2	1	---	3	---	---	1	2	14
Total.....	26	7	3	18	11	8	16	6	9	4	11	119

Appendix Table 17

Average Annual Earnings According to Earnings Limits

Employees and earnings	Annual earnings ($) per annum				
			Private		
	All 1/	Public 2/	All	Port-au-Prince	Other
1. All employees.....	478	717	451	504	367
1a. Excluding earnings in excess of ₲500/mo.	439	669	413	444	358
1b. Excluding earnings in excess of ₲300/mo.	387	542	370	389	334
2. Employees earning not more than ₲500/mo.	375	535	357	380	343
2a. Excluding earnings in excess of ₲300/mo.	363	500	348	360	326
3. Employees earning ₲301-₲500 per month.....	925	983	919	905	958
4. Employees earning not more than ₲300/mo.	327	463	312	319	300
5. Employees earning ₲110-₲150 per month.....	301 3/	310 3/	300	302	295
6. Employees earning less than ₲110 per month....	224 3/	247 3/	221	216	228
7. Employees earning ₲501 per month and more.....	1,892 4/	1,440 4/	1,942	1,978	1,718

1/ Public and private data combined by weighting 10 percent and 90 percent, respectively.

2/ Data from the first and second surveys of public employment combined by weightings in proportions according to the numbers of employees covered. Applies to both Port-au-Prince and elsewhere. For data on public employees in Port-au-Prince and in all Haiti, see Appendix table 19.

3/ For public employees, based on data from only the first survey; the second survey did not show subdivision of earnings below ₲300 per month.

4/ Assumes average earnings of ₲600 per month for public employees.

Appendix Table 18

Average Annual Earnings and Amounts Subject to Insurance Contribution Rates

Public Employees

Employees and earnings	Annual earnings ($) per annum	
	First Survey	Second Survey
1. All employees	754	713 1/
1a. Excluding earnings in excess of ₲500 per month	702	665
1b. Excluding earnings in excess of ₲300 per month	566	540
2. Employees earning not more than ₲500 per month	569	530
2a. Excluding earnings in excess of ₲300 per month	526	497
3. Employees earning ₲301-₲500 per month.	912	996
4. Employees earning not more than ₲300 per month	466	463
5. Employees earning ₲110-₲150 per month.	310	(2/)
6. Employees earning less than ₲110 per month	247	(2/)
7. Employees earning ₲501 per month and more	1,440 3/	1,440

1/ Assumes (from first survey) that 20 percent are employees with ₲500 per month and more, at average of ₲600 per month.
2/ Not available; this series lacks data necessary for the subdivision of earnings below ₲300 per month.
3/ Assumes ₲600 per month.

Appendix Table 19

Average Annual Earnings and Amounts Subject to Insurance Contribution Rates

Public Employees in Port-au-Prince and in All Haiti: Third Survey

Employees and earnings	Annual earnings ($) per annum	
	Port-au-Prince	All Haiti
1. All employees	840	716
1a. Excluding earnings in excess of ₲500 per month	710	610
1b. Excluding earnings in excess of ₲300 per month	572	518
2. Employees earning not more than ₲500 per month	638	522
2a. Excluding earnings in excess of ₲300 per month	544	487
3. Employees earning ₲301-500 per month	994	942
4. Employees earning not more than ₲300 per month	478	445
5. Employees earning ₲110-150 per month	322	326
6. Employees earning less than ₲110 per month	240	231
7. Employees earning ₲501 per month and more	2,038	2,005